

# SENATE BILL No. 1044

## EXECUTIVE BUDGET BILL

February 24, 2000, Introduced by Senator Stille and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 6, 8, 11, 11f, 11g, 19, 20, 20j, 21b, 24, 26a, 31a, 31c, 31d, 32, 36, 36a, 40, 41, 51a, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 91b, 91c, 94, 99, 101, 102, 104a, 105b, 105c, 107, 147, 151, 152, and 163 (MCL 388.1603, 388.1606, 388.1608, 388.1611, 3887.1611f, 388.1611g, 388.1619, 388.1620, 388.1620j, 388.1621b, 388.1624, 388.1626a, 388.1631a, 388.1631c, 388.1631d, 388.1632, 388.1636, 388.1636a, 388.1640, 388.1641, 388.1651a, 388.1653a, 388.1654, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1663, 388.1667, 388.1668, 388.1674, 388.1681, 388.1691b, 388.1691c, 388.1694,

388.1699, 388.1701, 388.1702, 388.1704a, 388.1705b, 388.1705c, 388.1707, 388.1747, 388.1751, 388.1752, and 388.1763), sections 6, 11, 11f, 11g, 20, 24, 26a, 31a, 31c, 36, 36a, 41, 51a, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 91b, 94, 99, 101, 104a, 107, and 147 as amended by 1999 PA 119, and sections 20j, 31d, 32, and 105c as added by 1999 PA 119, and section 8 as amended by 1997 PA 142, and sections 3 and 151, as amended by 1997 PA 93, and section 105b as added by 1997 PA 24, and sections 19, 21b, 102, and 163 as amended by 1996 PA 300, and section 91c as added by 1995 PA 130, and section 152 as amended by 1993 PA 175, and section 40 as amended by 1991 PA 118, and by adding sections 22a, 22b, 22c, 51c, 94a, 101b, and 108a; and to repeal acts and parts of acts.

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

1       Sec. 3. (1) "ADULT EDUCATION", FOR THE PURPOSES OF COMPLYING WITH  
2 SECTION 3 OF ARTICLE VIII OF THE STATE CONSTITUTION OF 1963 MEANS A  
3 HIGH SCHOOL PUPIL RECEIVING EDUCATIONAL SERVICES IN A NON-TRADITIONAL  
4 SETTING FROM A DISTRICT OR INTERMEDIATE DISTRICT IN ORDER TO RECEIVE A  
5 HIGH SCHOOL DIPLOMA.

6       ~~(1)~~(2) "Average daily attendance", for the purposes of complying  
7 with federal law, means 92% of the membership as defined in section  
8 6(4).

9       ~~(2)~~(3) "Board" means the governing body of a district or public  
10 school academy.

11       ~~(3)~~(4) "Cooperative education program" means a written voluntary  
12 agreement between and among districts to provide certain educational  
13 programs for pupils in certain groups of districts. The written  
14 agreement shall be approved by all affected districts at least  
15 annually and shall specify the educational programs to be provided and  
16 the estimated number of pupils from each district who will participate  
17 in the educational programs.

1       ~~(4)~~(5) "Department" means the department of education.

2       ~~(5)~~(6) "District" means a local school district established under  
3 the revised school code, a local act school district, or, except in  
4 sections 6(4), 6(6), 13, 20, 22A, 23, 31a, 32, ~~and~~ 105, and 105C, a  
5 public school academy. Except in sections 6(4), 6(6), 13, 20, 22A,  
6 ~~and~~ 105, AND 105C, district also includes a university school.

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

19       ~~(7)~~(8) "District superintendent" means the superintendent of a  
20 district, the chief administrator of a public school academy, or the  
21 chief administrator of a university school.

22       Sec. 6. (1) "Center program" means a program operated by a  
23 district or intermediate district for special education pupils from  
24 several districts in programs for the autistically impaired, trainable  
25 mentally impaired, severely mentally impaired, severely multiply  
26 impaired, hearing impaired, physically and otherwise health impaired,  
27 and visually impaired. Programs for emotionally impaired pupils  
28 housed in buildings that do not serve regular education pupils also  
29 qualify. Unless otherwise approved by the department, a center  
30 program either shall serve all constituent districts within an

1 intermediate district or shall serve several districts with less than  
2 50% of the pupils residing in the operating district. In addition,  
3 special education center program pupils placed part-time in noncenter  
4 programs to comply with the least restrictive environment provisions  
5 of section 612 of part B of the individuals with disabilities  
6 education act, title VI of Public Law 91-230, 20 U.S.C. 1412, may be  
7 considered center program pupils for pupil accounting purposes for the  
8 time scheduled in either a center program or a noncenter program.

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

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

22 (4) "Membership", except as otherwise provided in this act, means  
23 ~~for 1998-99 for a district, public school academy, university school,~~  
24 ~~or intermediate district the sum of the product of .6 times the number~~  
25 ~~of full-time equated pupils in grades K to 12 actually enrolled and in~~  
26 ~~regular daily attendance on the pupil membership count day for the~~  
27 ~~current school year, plus the product of .4 times the final audited~~  
28 ~~count from the supplemental count day for the immediately preceding~~  
29 ~~school year. For 1999-2000, membership means for a district, public~~  
30 ~~school academy, university school, or intermediate district the sum of~~

1 the product of .75 times the number of full-time equated pupils in  
2 grades K to 12 actually enrolled and in regular daily attendance on  
3 the pupil membership count day for the current school year, plus the  
4 product of .25 times the final audited count from the supplemental  
5 count day for the immediately preceding school year. For BEGINNING IN  
6 2000-2001, membership means for a district, public school academy,  
7 university school, or intermediate district the sum of the product of  
8 .8 times the number of full-time equated pupils in grades K to 12  
9 actually enrolled and in regular daily attendance on the pupil  
10 membership count day for the current school year, plus the product of  
11 .2 times the final audited count from the supplemental count day for  
12 the immediately preceding school year. All pupil counts used in this  
13 subsection are as determined by the department and calculated by  
14 adding the number of pupils registered for attendance plus pupils  
15 received by transfer and minus pupils lost as defined by rules  
16 promulgated by the superintendent, and as corrected by a subsequent  
17 department audit. The amount of the foundation allowance for a pupil  
18 in membership is determined under section 20. In making the  
19 calculation of membership, all of the following, as applicable, apply  
20 to determining the membership of a district, public school academy,  
21 university school, or intermediate district:

22 (a) Except as otherwise provided in this subsection, AND PURSUANT  
23 TO THE PROVISIONS OF SUBSECTION (6), a pupil shall be counted in  
24 membership in the pupil's educating district or districts. An  
25 individual pupil shall not be counted for more than a total of 1.0  
26 full-time equated membership.

27 (b) If a pupil is educated in a district other than the pupil's  
28 district of residence and the educating district is not in the same  
29 intermediate district as the pupil's district of residence, if the  
30 pupil is not being educated as part of a cooperative education

1 program, if the pupil's district of residence does not give the  
2 educating district its approval to count the pupil in membership in  
3 the educating district, and if the pupil is not covered by an  
4 exception specified in subsection (6) to the requirement that the  
5 educating district must have the approval of the pupil's district of  
6 residence to count the pupil in membership, the pupil shall not be  
7 counted in membership in any district.

8 (c) A special education pupil educated by the intermediate  
9 district shall be counted in membership in the intermediate district.

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

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

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

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

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

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

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

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

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

27       (k) In a district, public school academy, university school, or  
28 intermediate district operating an extended school year program  
29 approved by the superintendent, a pupil enrolled, but not scheduled to  
30 be in regular daily attendance on a pupil membership count day, shall

1 be counted.

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

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

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

28 (i) If the public school academy provides instruction for at least  
29 1/2 of the class hours specified in subdivision (q), the public school  
30 academy shall receive as its prorated share of the full-time equated



1 membership for each of those pupils an amount equal to 1 times the  
2 product of the hours of instruction the public school academy provides  
3 divided by the number of hours specified in subdivision (q) for  
4 full-time equivalency, and the remainder of the full-time membership  
5 for each of those pupils shall be allocated to the district or  
6 intermediate district providing the remainder of the hours of  
7 instruction.

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

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

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

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

1 postsecondary enrollment, including necessary travel time, on the  
2 number of class hours provided by the district to the pupil.

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

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

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

1       ~~(t)~~ (t) A pupil enrolled in a cooperative education program may be  
2 counted in membership in the pupil's district of residence with the  
3 written approval of all parties to the cooperative agreement.

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

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

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

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

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

28       ~~(v)~~ (v) A pupil enrolled in an alternative or disciplinary  
29 education program described in section 25 shall be counted in  
30 membership in the district or public school academy that expelled the

1 pupil.

2 ~~(x)~~ (w) If a pupil was enrolled in a public school academy on the  
3 pupil membership count day, if the public school academy's contract  
4 with its authorizing body is revoked, and if the pupil enrolls in a  
5 district within 45 days after the pupil membership count day, the  
6 department shall adjust the district's pupil count for the pupil  
7 membership count day to include the pupil in the count.

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

28 (5) "Public school academy" means a public school academy or  
29 strict discipline academy operating under the revised school code.

30 (6) "Pupil" means a person in membership in a public school. A

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

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

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

8 (c) A pupil enrolled in a public school academy or university  
9 school.

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

15 (e) A pupil enrolled in a district other than the pupil's district  
16 of residence but within the same intermediate district if the  
17 educating district enrolls nonresident pupils in accordance with  
18 section 105.

19 (f) A pupil enrolled in a district other than the pupil's district  
20 of residence if the pupil has been continuously enrolled in the  
21 educating district since a school year in which the pupil enrolled in  
22 the educating district under section 105 or 105c and in which the  
23 educating district enrolled nonresident pupils in accordance with  
24 section 105 or 105c.

25 (g) A nonresident pupil who has made an official written complaint  
26 or whose parent or legal guardian has made an official written  
27 complaint to law enforcement officials and to school officials of the  
28 pupil's district of residence that the pupil has been the victim of a  
29 criminal sexual assault or other serious assault, if the official  
30 complaint either indicates that the assault occurred at school or that

1 the assault was committed by 1 or more other pupils enrolled in the  
2 school the nonresident pupil would otherwise attend in the district of  
3 residence or by an employee of the district of residence. A person  
4 who intentionally makes a false report of a crime to law enforcement  
5 officials for the purposes of this subdivision is subject to section  
6 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, which  
7 provides criminal penalties for that conduct. As used in this  
8 subdivision:

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

13 (ii) "Serious assault" means an act that constitutes a felony  
14 violation of chapter XI of the Michigan penal code, 1931 PA 328, MCL  
15 750.81 to 750.90f, or that constitutes an assault and infliction of  
16 serious or aggravated injury under section 81a of the Michigan penal  
17 code, 1931 PA 328, MCL 750.81a.

18 (h) A pupil enrolled in a ~~contiguous~~ district located in another  
19 intermediate district, as described in section 105c, if the educating  
20 district enrolls those nonresident pupils in accordance with section  
21 105c.

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

27 (j) A pupil enrolled in an alternative education program operated  
28 by a district other than his or her district of residence. However,  
29 this subdivision does not apply until legislation is enacted to  
30 specify the policies for its implementation including the types of

1 alternative education programs affected.

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

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

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

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

16 (i) Fourth Wednesday in July.

17 (ii) Fourth Wednesday in September.

18 (iii) Second Wednesday in February.

19 (iv) Fourth Wednesday in April.

20 (8) "Pupils in grades K to 12 actually enrolled and in regular  
21 daily attendance" means pupils in grades K to 12 in attendance and  
22 receiving instruction in all classes for which they are enrolled on  
23 the pupil membership count day or the supplemental count day, as  
24 applicable. A pupil who is absent from any of the classes in which  
25 the pupil is enrolled on the pupil membership count day or  
26 supplemental count day and who does not attend each of those classes  
27 during the 10 consecutive school days immediately following the pupil  
28 membership count day or supplemental count day, except for a pupil who  
29 has been excused by the district, shall not be counted as 1.0  
30 full-time equated membership. In addition, a pupil who is excused

1 from attendance on the pupil membership count day or supplemental  
2 count day and who fails to attend each of the classes in which the  
3 pupil is enrolled within 30 calendar days after the pupil membership  
4 count day or supplemental count day shall not be counted as 1.0  
5 full-time equated membership. Pupils not counted as 1.0 full-time  
6 equated membership due to an absence from a class shall be counted as  
7 a prorated membership for the classes the pupil attended. For  
8 purposes of this subsection, "class" means a period of time in 1 day  
9 when pupils and a certificated teacher or legally qualified substitute  
10 teacher are together and instruction is taking place.

11 (9) "Rule" means a rule promulgated pursuant to the administrative  
12 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

13 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to  
14 380.1852.

15 (11) "School fiscal year" means a fiscal year that commences July  
16 1 and continues through June 30.

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

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

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

24 (15) "Tuition pupil" means a pupil of school age attending school  
25 in a district other than the pupil's district of residence for whom  
26 tuition may be charged. Tuition pupil does not include a pupil who is  
27 a special education pupil or a pupil described in subsection (6)(d) to  
28 (j). A pupil's district of residence shall not require a high school  
29 tuition pupil, as provided under section 111, to attend another school  
30 district after the pupil has been assigned to a school district.



1 (16) "State school aid fund" means the state school aid fund  
2 established in section 11 of article IX of the state constitution of  
3 1963.

4 (17) "Taxable value" means the taxable value of property as  
5 determined under section 27a of the general property tax act, 1893 PA  
6 206, MCL 211.27a.

7 (18) "Total state aid" or "total state school aid" means the total  
8 combined amount of all funds due to a district, intermediate district,  
9 or other entity under all of the provisions of this act.

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

13 Sec. 8. (1) In order to receive funds under this act, each  
14 district shall furnish to the department not later than December 1 of  
15 each year, on a form and in a manner prescribed by the department, the  
16 information requested by the department that is necessary for the  
17 preparation of the district pupil retention report defined in section  
18 6(3).

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

28 Sec. 11. (1) ~~For the fiscal year ending September 30, 1999, there~~  
29 ~~is appropriated for the public schools of this state and certain other~~  
30 ~~state purposes relating to education the sum of \$9,049,591,100.00 from~~

1 ~~the state school aid fund established by section 11 of article IX of~~  
2 ~~the state constitution of 1963 and the sum of \$420,613,500.00 from the~~  
3 ~~general fund.~~ For the fiscal year ending September 30, 2000, there is  
4 appropriated for the public schools of this state and certain other  
5 state purposes relating to education the sum of ~~-\$9,590,537,700.00~~  
6 \$9,514,995,100.00 from the state school aid fund established by  
7 section 11 of article IX of the state constitution of 1963 and the sum  
8 of ~~\$420,613,500.00~~ \$410,613,500.00 from the general fund. For the  
9 fiscal year ending September 30, 2001, there is appropriated for the  
10 public schools of this state and certain other state purposes relating  
11 to education the sum of ~~\$10,033,634,700.00~~ \$10,002,460,700.00 from the  
12 state school aid fund established by section 11 of article IX of the  
13 state constitution of 1963 and the sum of ~~\$420,613,500.00~~  
14 \$405,613,500.00 from the general fund. FOR THE FISCAL YEAR ENDING  
15 SEPTEMBER 30, 2002, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF  
16 THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE  
17 SUM OF \$10,394,230,900.00 FROM THE STATE SCHOOL AID FUND ESTABLISHED  
18 BY SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 AND THE  
19 SUM OF \$419,113,500.00 FROM THE GENERAL FUND. FOR THE FISCAL YEAR  
20 ENDING SEPTEMBER 30, 2003, THERE IS APPROPRIATED FOR THE PUBLIC  
21 SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO  
22 EDUCATION THE SUM OF \$10,902,010,600.00 FROM THE STATE SCHOOL AID FUND  
23 ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF  
24 1963 AND THE SUM OF \$419,113,500.00 FROM THE GENERAL FUND. In  
25 addition, available federal funds are appropriated ~~for 1998-99,~~ for  
26 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003.

27 (2) The appropriations under this section shall be allocated as  
28 provided in this act. Money appropriated under this section from the  
29 general fund and from available federal funds shall be expended to  
30 fund the purposes of this act before the expenditure of money

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

8 (3) If the maximum amount appropriated under this section and  
9 ~~sections~~ SECTION 11f ~~and 11g~~ from the state school aid fund for a  
10 fiscal year exceeds the amount available for expenditure from the  
11 state school aid fund for that fiscal year, payments under sections  
12 11f, ~~11g~~, 22A, 31D, ~~and~~ 51a(2), AND 51C shall be made in full and  
13 payments under each of the other sections of this act shall be  
14 prorated on an equal percentage basis as necessary to reflect the  
15 amount available for expenditure from the state school aid fund for  
16 that fiscal year. However, if the department of treasury determines  
17 that proration will be required under this subsection, the department  
18 of treasury shall notify the state budget director, and the state  
19 budget director shall notify the legislature at least 30 calendar days  
20 or 6 legislative session days, whichever is more, before the  
21 department reduces any payments under this act because of the  
22 proration. During the 30 calendar day or 6 legislative session day  
23 period after that notification by the state budget director, the  
24 department shall not reduce any payments under this act because of  
25 proration under this subsection. The legislature may prevent  
26 proration from occurring by, within the 30 calendar day or 6  
27 legislative session day period after that notification by the state  
28 budget director, enacting legislation appropriating additional funds  
29 from the general fund, countercyclical budget and economic  
30 stabilization fund, state school aid fund balance, or another source

1 to fund the amount of the projected shortfall.

2 (4) EXCEPT FOR THE ALLOCATION UNDER SECTION 26A, ANY GENERAL FUND  
3 ALLOCATIONS THAT ARE NOT EXPENDED BY THE END OF THE STATE FISCAL YEAR  
4 SHALL LAPSE TO THE STATE SCHOOL AID FUND.

5 Sec. 11f. (1) In addition to any other money appropriated under  
6 this act, there is appropriated from the state school aid fund an  
7 amount not to exceed \$32,000,000.00 each fiscal year ~~for the fiscal~~  
8 ~~year ending September 30, 1999,~~ for the fiscal year ending September  
9 30, 2000, for the fiscal year ending September 30, 2001, FOR THE  
10 FISCAL YEAR ENDING SEPTEMBER 30, 2002, FOR THE FISCAL YEAR ENDING  
11 SEPTEMBER 30, 2003, and for each succeeding fiscal year through the  
12 fiscal year ending September 30, 2008. Payments under this section  
13 will cease after September 30, 2008. These appropriations are for  
14 paying the amounts described in subsection ~~(4)~~ (3) to districts and  
15 intermediate districts, ~~other than those receiving a lump sum payment~~  
16 ~~under subsection (2),~~ that were not plaintiffs in the consolidated  
17 cases known as Durant v State of Michigan, Michigan supreme court  
18 docket no. 104458-104492 and that, on or before March 2, 1998, have  
19 submitted to the state treasurer a board resolution waiving any right  
20 or interest the district or intermediate district has or may have in  
21 any claim or litigation based on or arising out of any claim or  
22 potential claim through September 30, 1997 that is or was similar to  
23 the claims asserted by the plaintiffs in the consolidated cases known  
24 as Durant v State of Michigan. The waiver resolution shall be in form  
25 and substance as required under subsection ~~(8)~~ (7). The state  
26 treasurer is authorized to accept such a waiver resolution on behalf  
27 of this state. The amounts described in this subsection represent  
28 offers of settlement and compromise of any claim or claims that were  
29 or could have been asserted by these districts and intermediate  
30 districts, as described in this subsection.

1       ~~(2) In addition to any other money appropriated under this act,~~  
2 ~~there is appropriated from the state school aid fund an amount not to~~  
3 ~~exceed \$1,700,000.00 for the fiscal year ending September 30, 1999.~~  
4 ~~This appropriation is for paying the amounts described in this~~  
5 ~~subsection to districts and intermediate districts that were not~~  
6 ~~plaintiffs in the consolidated cases known as Durant v State of~~  
7 ~~Michigan; that, on or before March 2, 1998, have submitted to the~~  
8 ~~state treasurer a board resolution waiving any right or interest the~~  
9 ~~district or intermediate district has or may have in any claim or~~  
10 ~~litigation based on or arising out of any claim or potential claim~~  
11 ~~through September 30, 1997 that is or was similar to the claims~~  
12 ~~asserted by the plaintiffs in the consolidated cases known as Durant v~~  
13 ~~State of Michigan; and for which the total amount listed in section~~  
14 ~~11h and paid under this section is less than \$75,000.00. The waiver~~  
15 ~~resolution shall be in form and substance as required under subsection~~  
16 ~~(8). The state treasurer is authorized to accept such a waiver~~  
17 ~~resolution on behalf of this state. For a district or intermediate~~  
18 ~~district qualifying for a payment under this subsection, the entire~~  
19 ~~amount listed for the district or intermediate district in section 11h~~  
20 ~~shall be paid in a lump sum on November 15, 1998 or on the next~~  
21 ~~business day following that date. The amounts paid under this~~  
22 ~~subsection represent offers of settlement and compromise of any claim~~  
23 ~~or claims that were or could have been asserted by these districts and~~  
24 ~~intermediate districts, as described in this subsection.~~

25       ~~(3) (2) This section does not create any obligation or liability~~  
26 ~~of this state to any district or intermediate district that does not~~  
27 ~~submit a waiver resolution described in subsection (1) or (2). This~~  
28 ~~section, any other provision of this act, and section 353e of the~~  
29 ~~management and budget act, 1984 PA 431, MCL 18.1353e, are not intended~~  
30 ~~to admit liability or waive any defense that is or would be available~~

1 to this state or its agencies, employees, or agents in any litigation  
2 or future litigation with a district or intermediate district.

3 ~~(4)~~ (3) The amount paid each fiscal year to each district or  
4 intermediate district under subsection (1) shall be 1/20 of the total  
5 amount listed in section 11h for each listed district or intermediate  
6 district that qualifies for a payment under subsection (1). The  
7 amounts listed in section 11h and paid in part under this subsection  
8 and in a lump sum under FORMER subsection (2), AS THAT SUBSECTION WAS  
9 IN EFFECT FOR 1998-99, are offers of settlement and compromise to each  
10 of these districts or intermediate districts to resolve, in their  
11 entirety, any claim or claims that these districts or intermediate  
12 districts may have asserted for violations of section 29 of article IX  
13 of the state constitution of 1963 through September 30, 1997, which  
14 claims are or were similar to the claims asserted by the plaintiffs in  
15 the consolidated cases known as Durant v State of Michigan. This  
16 section, any other provision of this act, and section 353e of the  
17 management and budget act, 1984 PA 431, MCL 18.1353e, shall not be  
18 construed to constitute an admission of liability to the districts or  
19 intermediate districts listed in section 11h or a waiver of any  
20 defense that is or would have been available to the state or its  
21 agencies, employees, or agents in any litigation or future litigation  
22 with a district or intermediate district.

23 ~~(5)~~ (4) The entire amount of each payment under subsection (1)  
24 each fiscal year shall be paid on November 15 of the applicable fiscal  
25 year or on the next business day following that date.

26 ~~(6)~~ (5) Funds paid to a district or intermediate district under  
27 this section shall be used only for textbooks, electronic  
28 instructional material, software, technology, infrastructure or  
29 infrastructure improvements, school buses, school security, training  
30 for technology, or to pay debt service on voter-approved bonds issued

1 by the district or intermediate district before the effective date of  
 2 this section. For intermediate districts only, funds paid under this  
 3 section may also be used for other nonrecurring instructional  
 4 expenditures including, but not limited to, nonrecurring instructional  
 5 expenditures for vocational education, or for debt service for  
 6 acquisition of technology for academic support services. Funds  
 7 received by an intermediate district under this section may be used  
 8 for projects conducted for the benefit of its constituent districts at  
 9 the discretion of the intermediate board. To the extent payments  
 10 under this section are used by a district or intermediate district to  
 11 pay debt service on debt payable from millage revenues, and to the  
 12 extent permitted by law, the district or intermediate district may  
 13 make a corresponding reduction in the number of mills levied for that  
 14 debt service.

15 ~~(7)~~ (6) The appropriations under this section are from the money  
 16 appropriated and transferred to the state school aid fund from the  
 17 countercyclical budget and economic stabilization fund under section  
 18 353e (2) and (3) of the management and budget act, 1984 PA 431, MCL  
 19 18.1353e.

20 ~~(8)~~ (7) The resolution to be adopted and submitted by a district  
 21 or intermediate district under this section and section 11g shall read  
 22 as follows: "Whereas, the board of \_\_\_\_\_  
 23 (name of district or intermediate district) desires to settle and  
 24 compromise, in their entirety, any claim or claims that the district  
 25 (or intermediate district) has or had for violations of section 29 of  
 26 article IX of the state constitution of 1963, which claim or claims  
 27 are or were similar to the claims asserted by the plaintiffs in the  
 28 consolidated cases known as Durant v State of Michigan, Michigan  
 29 supreme court docket no. 104458-104492. Whereas, the district (or  
 30 intermediate district) agrees to settle and compromise these claims

1 for the consideration described in sections 11f and 11g of the state  
2 school aid act of 1979, 1979 PA 94, MCL 388.1611f and 388.1611g, and  
3 in the amount specified for the district (or intermediate district) in  
4 section 11h of the state school aid act of 1979, 1979 PA 94, MCL  
5 388.1611h. Whereas, the board of \_\_\_\_\_  
6 (name of district or intermediate district) is authorized to adopt  
7 this resolution. Now, therefore, be it resolved as follows:

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

19 2. The board of \_\_\_\_\_ (name of district or  
20 intermediate district) directs its secretary to submit a certified  
21 copy of this resolution to the state treasurer no later than 5 p.m.  
22 eastern standard time on March 2, 1998, and agrees that it will not  
23 take any action to amend or rescind this resolution.

24 3. The board of \_\_\_\_\_ (name of district or  
25 intermediate district) expressly agrees and understands that, if it  
26 takes any action to amend or rescind this resolution, the state, its  
27 agencies, employees, and agents shall have available to them any  
28 privilege, immunity, and/or defense that would otherwise have been  
29 available had the claims or potential claims been actually litigated  
30 in any forum.



1           4. This resolution is contingent on continued payments by the  
2 state each fiscal year as determined under sections 11f and 11g of the  
3 state school aid act of 1979, 1979 PA 94, MCL 388.1611f and 388.1611g.  
4 However, this resolution shall be an irrevocable waiver of any claim  
5 to amounts actually received by the school district or intermediate  
6 school district under sections 11f and 11g of the state school aid act  
7 of 1979."

8           Sec. 11g. (1) ~~In addition to the appropriations under section 11f~~  
9 ~~and any other money appropriated under this act, there is appropriated~~  
10 ~~from the state school aid fund an amount not to exceed \$40,000,000.00~~  
11 ~~for the fiscal year ending September 30, 1999.~~ From the general fund  
12 money appropriated in section 11, there is allocated an amount not to  
13 exceed \$40,000,000.00 for the fiscal year ending September 30, 2000,  
14 for the fiscal year ending September 30, 2001, FOR THE FISCAL YEAR  
15 ENDING SEPTEMBER 30, 2002, FOR THE FISCAL YEAR ENDING SEPTEMBER 30,  
16 2003, and for each succeeding fiscal year through the fiscal year  
17 ending September 30, 2013. Payments under this section will cease  
18 after September 30, 2013. These appropriations are for paying the  
19 amounts described in subsection (3) to districts and intermediate  
20 districts, other than those receiving a lump sum payment under section  
21 11f(2), AS THAT SECTION WAS IN EFFECT FOR 1998-99, that were not  
22 plaintiffs in the consolidated cases known as Durant v State of  
23 Michigan, Michigan supreme court docket no. 104458-104492 and that, on  
24 or before March 2, 1998, have submitted to the state treasurer a  
25 waiver resolution described in section 11f. The amounts paid under  
26 this section represent offers of settlement and compromise of any  
27 claim or claims that were or could have been asserted by these  
28 districts and intermediate districts, as described in this section.  
29           (2) This section does not create any obligation or liability of  
30 this state to any district or intermediate district that does not

1 submit a waiver resolution described in section 11f. This section,  
2 any other provision of this act, and section 353e of the management  
3 and budget act, 1984 PA 431, MCL 18.1353e, are not intended to admit  
4 liability or waive any defense that is or would be available to this  
5 state or its agencies, employees, or agents in any litigation or  
6 future litigation with a district or intermediate district regarding  
7 these claims or potential claims.

8 (3) The amount paid each fiscal year to each district or  
9 intermediate district under this section shall be the sum of the  
10 following:

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

13 (b) If the district or intermediate district borrows money and  
14 issues bonds under section 11i, an additional amount in each fiscal  
15 year calculated by the department of treasury that, when added to the  
16 amount described in subdivision (a), will cause the net present value  
17 as of November 15, 1998 of the total of the 15 annual payments made to  
18 the district or intermediate district under this section, discounted  
19 at a rate as determined by the state treasurer, to equal the amount of  
20 the bonds issued by that district or intermediate district under  
21 section 11i and that will result in the total payments made to all  
22 districts and intermediate districts in each fiscal year under this  
23 section being no more than the amount appropriated under this section  
24 in each fiscal year.

25 (4) The entire amount of each payment under this section each  
26 fiscal year shall be paid on May 15 of the applicable fiscal year or  
27 on the next business day following that date. If a district or  
28 intermediate district borrows money and issues bonds under section  
29 11i, the district or intermediate district shall use funds received  
30 under this section to pay debt service on bonds issued under section

1 11i. If a district or intermediate district does not borrow money and  
2 issue bonds under section 11i, the district or intermediate district  
3 shall use funds received under this section only for the following  
4 purposes, in the following order of priority:

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

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

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

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

16 (6) A district or intermediate district may pledge or assign  
17 payments under this section as security for bonds issued under section  
18 11i, but shall not otherwise pledge or assign payments under this  
19 section.

20 ~~(7) The state school aid fund appropriation under this section for~~  
21 ~~1998-99 is from the money appropriated and transferred to the state~~  
22 ~~school aid fund from the countercyclical budget and economic~~  
23 ~~stabilization fund under section 353e(2) of the management and budget~~  
24 ~~act, 1984 PA 431, MCL 18.1353e.~~

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

29 (2) Each district and intermediate district shall provide to the  
30 department, in a form and manner prescribed by the department,

1 information necessary for the development of an annual progress report  
2 on the implementation of sections 1204a, 1277, 1278, and 1280 of the  
3 revised school code, commonly referred to as "public act 25 of 1990",  
4 ~~and~~ on the achievement of national education goals, AND OTHER  
5 PERFORMANCE REPORTS.

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

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

28 Sec. 20. (1) ~~For 1998-99, the basic foundation allowance is~~  
29 ~~\$5,462.00 per membership pupil.~~ For 1999-2000, the basic foundation  
30 allowance is \$5,696.00 per membership pupil. For 2000-2001, the basic

1 foundation allowance is ~~\$5,866.00~~ \$5,896.00 per membership pupil. FOR  
2 2001-2002, THE BASIC FOUNDATION ALLOWANCE IS \$6,103.00 PER MEMBERSHIP  
3 PUPIL. FOR 2002-2003, THE BASIC FOUNDATION ALLOWANCE IS \$6,317.00 PER  
4 MEMBERSHIP PUPIL.

5 (2) From the appropriation in section 11, there is allocated for  
6 ~~1998-99 an amount not to exceed \$8,034,100,000.00,~~ for 1999-2000 an  
7 amount not to exceed ~~\$8,516,932,000.00~~ \$8,427,900,000.00, and for  
8 ~~2000-2001 an amount not to exceed \$8,906,496,200.00~~ to guarantee each  
9 district a foundation allowance per membership pupil other than  
10 special education pupils and to make payments under this section to  
11 public school academies and university schools for membership pupils  
12 other than special education pupils. The amount of each district's  
13 foundation allowance shall be calculated as provided in this section,  
14 using a basic foundation allowance in the amount specified in  
15 subsection (1). If the maximum amount allocated under this section is  
16 not sufficient to fully fund payments under this section, and before  
17 any proration required under section 11, the amount of the payment to  
18 each district, university school, and public school academy shall be  
19 prorated by reducing by an equal percentage the total payment under  
20 this section to each district, university school, and public school  
21 academy. However, if the department determines that proration will be  
22 required under this section, the superintendent ~~of public instruction~~  
23 shall notify the state budget director, and the state budget director  
24 shall notify the legislature at least 30 calendar days or 6  
25 legislative session days, whichever is more, before the department  
26 reduces any payments under this section because of the proration.  
27 During the 30 calendar day or 6 legislative session day period after  
28 that notification by the state budget director, the department shall  
29 not reduce any payments under this section because of proration. The  
30 legislature may prevent proration under this section from occurring

1 by, within the 30 calendar day or 6 legislative session day period  
2 after that notification by the director, enacting legislation  
3 appropriating additional funds from the general fund, countercyclical  
4 budget and economic stabilization fund, state school aid fund balance,  
5 or another source to ensure full foundation allowance funding for each  
6 district, university school, and public school academy.

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

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

1 plus the total dollar amount of all adjustments made from 1994-95 to  
2 the immediately preceding state fiscal year in the lowest foundation  
3 allowance among all districts]. However, the foundation allowance for  
4 a district that had less than the basic foundation allowance in the  
5 immediately preceding state fiscal year shall not exceed the basic  
6 foundation allowance for the current state fiscal year.

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

16 (c) ~~For BEGINNING IN 1999-2000 only,~~ for a district that in the  
17 ~~immediately preceding~~ 1994-95 state fiscal year had a foundation  
18 allowance greater than ~~\$6,962.00 and less than \$12,000.00~~ \$6,500.00,  
19 the district shall ~~receive~~ HAVE a foundation allowance in an amount  
20 equal to the sum of the district's foundation allowance for the  
21 immediately preceding state fiscal year plus ~~±.6%~~ THE PRODUCT of the  
22 district's foundation allowance for the immediately preceding state  
23 fiscal year TIMES THE PERCENTAGE INCREASE IN THE UNITED STATES  
24 CONSUMER PRICE INDEX IN THE CALENDAR YEAR ENDING IN THE IMMEDIATELY  
25 PRECEDING FISCAL YEAR AS REPORTED BY THE MAY REVENUE ESTIMATING  
26 CONFERENCE CONDUCTED UNDER SECTION 367B OF THE MANAGEMENT AND BUDGET  
27 ACT, 1984 PA 431, MCL 18.1367B.

28 ~~(d) For 2000-2001 only, for a district that in the immediately~~  
29 ~~preceding state fiscal year had a foundation allowance greater than~~  
30 ~~\$7,196.00 and less than \$12,234.00, the district shall receive a~~

1 ~~foundation allowance in an amount equal to the sum of the district's~~  
2 ~~foundation allowance for the immediately preceding state fiscal year~~  
3 ~~plus 1.6% of the district's foundation allowance for the immediately~~  
4 ~~preceding state fiscal year.~~

5 ~~(e) For 1998-99, each district's foundation allowance shall be at~~  
6 ~~least \$5,170.00.~~

7 (D) BEGINNING IN 2000-2001, FOR A DISTRICT THAT HAS A FOUNDATION  
8 ALLOWANCE THAT IS NOT A WHOLE DOLLAR AMOUNT, THE DISTRICT'S FOUNDATION  
9 ALLOWANCE SHALL BE ROUNDED UP TO THE NEAREST WHOLE DOLLAR.

10 (4) To ensure that a district receives the district's foundation  
11 allowance, there is allocated to each district a state portion of the  
12 district's foundation allowance in an amount calculated under this  
13 subsection. Except as otherwise provided in this subsection, the  
14 state portion of a district's foundation allowance is an amount equal  
15 to the district's foundation allowance or \$6,500.00, whichever is  
16 less, minus the difference between the product of the taxable value  
17 per membership pupil of all property in the district that is not a  
18 homestead or qualified agricultural property times the lesser of 18  
19 mills or the number of mills of school operating taxes levied by the  
20 district in 1993-94 and the quotient of the ad valorem property tax  
21 revenue of the district captured under 1975 PA 197, MCL 125.1651 to  
22 125.1681, the tax increment finance authority act, 1980 PA 450, MCL  
23 125.1801 to 125.1830, the local development financing act, 1986 PA  
24 281, MCL 125.2151 to 125.2174, or the Brownfield redevelopment  
25 financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the  
26 district's membership excluding special education pupils. For  
27 BEGINNING IN 1999-2000 ~~only~~, for a district described in subsection  
28 (3)(c), the state portion of the district's foundation allowance is an  
29 amount equal to \$6,962.00 plus ~~1.6%~~ of THE DIFFERENCE BETWEEN the  
30 district's foundation allowance for the ~~immediately preceding~~ CURRENT



1 state fiscal year AND THE DISTRICT'S FOUNDATION ALLOWANCE FOR 1998-99,  
2 minus the difference between the product of the taxable value per  
3 membership pupil of all property in the district that is not a  
4 homestead or qualified agricultural property times the lesser of 18  
5 mills or the number of mills of school operating taxes levied by the  
6 district in 1993-94 and the quotient of the ad valorem property tax  
7 revenue of the district captured under 1975 PA 197, MCL 125.1651 to  
8 125.1681, the tax increment finance authority act, 1980 PA 450, MCL  
9 125.1801 to 125.1830, the local development financing act, 1986 PA  
10 281, MCL 125.2151 to 125.2174, or the Brownfield redevelopment  
11 financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the  
12 district's membership excluding special education pupils. For  
13 ~~2000-2001 only, for a district described in subsection (3)(d), the~~  
14 ~~state portion of the district's foundation allowance is an amount~~  
15 ~~equal to \$7,196.00 plus 1.6% of the district's foundation allowance~~  
16 ~~for the immediately preceding state fiscal year minus the difference~~  
17 ~~between the product of the taxable value per membership pupil of all~~  
18 ~~property in the district that is not a homestead or qualified~~  
19 ~~agricultural property times the lesser of 18 mills or the number of~~  
20 ~~mills of school operating taxes levied by the district in 1993-94 and~~  
21 ~~the quotient of the ad valorem property tax revenue of the district~~  
22 ~~captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax~~  
23 ~~increment finance authority act, 1980 PA 450, MCL 125.1801 to~~  
24 ~~125.1830, the local development financing act, 1986 PA 281, MCL~~  
25 ~~125.2151 to 125.2174, or the Brownfield redevelopment financing act,~~  
26 ~~1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's~~  
27 ~~membership excluding special education pupils.~~ For a district that  
28 has a millage reduction required under section 31 of article IX of the  
29 state constitution of 1963, the state portion of the district's  
30 foundation allowance shall be calculated as if that reduction did not

1 occur. For each fiscal year after 1994-95, the \$6,500.00 amount  
2 prescribed in this subsection shall be adjusted each year by an amount  
3 equal to the dollar amount of the difference between the basic  
4 foundation allowance for the current state fiscal year and \$5,000.00.

5 (5) The allocation under this section for a pupil shall be based  
6 on the foundation allowance of the pupil's district of residence.  
7 However, for a pupil enrolled pursuant to section 105 OR SECTION 105C  
8 in a district other than the pupil's district of residence, the  
9 allocation under this section shall be based on the lesser of the  
10 foundation allowance of the pupil's district of residence or the  
11 foundation allowance of the educating district. For a pupil in  
12 membership in a K-5, K-6, or K-8 district who is enrolled in another  
13 district in a grade not offered by the pupil's district of residence,  
14 the allocation under this section shall be based on the foundation  
15 allowance of the educating district if the educating district's  
16 foundation allowance is greater than the foundation allowance of the  
17 pupil's district of residence. BEGINNING IN 1999-2000, THE  
18 CALCULATION IN THIS SUBSECTION SHALL INCLUDE THE PER PUPIL ALLOCATION  
19 UNDER SECTION 20J(2).

20 (6) Subject to subsection (7) and except as otherwise provided in  
21 this subsection, for pupils in membership, other than special  
22 education pupils, in a public school academy or a university school,  
23 there is allocated under this section each fiscal year ~~for 1998-99,~~  
24 for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 to  
25 the authorizing body that is the fiscal agent for the public school  
26 academy for forwarding to the public school academy, or to the board  
27 of the public university operating the university school, an amount  
28 per membership pupil other than special education pupils in the public  
29 school academy or university school equal to the sum of the local  
30 school operating revenue per membership pupil other than special

1 education pupils for the district in which the public school academy  
2 or university school is located and the state portion of that  
3 district's foundation allowance, or the sum of the basic foundation  
4 allowance under subsection (1) plus \$500.00, whichever is less.  
5 Notwithstanding section 101(2), for a public school academy that  
6 begins operations in ~~1998-99~~, 1999-2000, or 2000-2001, 2001-2002, OR  
7 2002-2003, as applicable, after the pupil membership count day, the  
8 amount per membership pupil calculated under this subsection shall be  
9 adjusted by multiplying that amount per membership pupil by the number  
10 of hours of pupil instruction provided by the public school academy  
11 after it begins operations, as determined by the department, divided  
12 by the minimum number of hours of pupil instruction required under  
13 section 1284 of the revised school code, MCL 380.1284. The result of  
14 this calculation shall not exceed the amount per membership pupil  
15 otherwise calculated under this subsection.

16 (7) If more than 25% of the pupils residing within a district are  
17 in membership in 1 or more public school academies located in the  
18 district, then the amount per membership pupil allocated under this  
19 section to the authorizing body that is the fiscal agent for a public  
20 school academy located in the district for forwarding to the public  
21 school academy shall be reduced by an amount equal to the difference  
22 between the product of the taxable value per membership pupil of all  
23 property in the district that is not a homestead or qualified  
24 agricultural property times the lesser of 18 mills or the number of  
25 mills of school operating taxes levied by the district in 1993-94 and  
26 the quotient of the ad valorem property tax revenue of the district  
27 captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax  
28 increment finance authority act, 1980 PA 450, MCL 125.1801 to  
29 125.1830, the local development financing act, 1986 PA 281, MCL  
30 125.2151 to 125.2174, or the Brownfield redevelopment financing act,

1 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's  
2 membership excluding special education pupils, in the school fiscal  
3 year ending in the current state fiscal year, calculated as if the  
4 resident pupils in membership in 1 or more public school academies  
5 located in the district were in membership in the district. In order  
6 to receive state school aid under this act, a district described in  
7 this subsection shall pay to the authorizing body that is the fiscal  
8 agent for a public school academy located in the district for  
9 forwarding to the public school academy an amount equal to that local  
10 school operating revenue per membership pupil for each resident pupil  
11 in membership other than special education pupils in the public school  
12 academy, as determined by the department.

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

26 (9) For a district that had combined state and local revenue per  
27 membership pupil in the 1993-94 state fiscal year of more than  
28 \$6,500.00 and that had fewer than 350 pupils in membership, if the  
29 district elects not to reduce the number of mills from which a  
30 homestead and qualified agricultural property are exempt and not to

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

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

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

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

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

21           (14) To assist the legislature in determining the basic foundation  
22 allowance for the subsequent state fiscal year, each revenue  
23 estimating conference conducted under section 367b of the management  
24 and budget act, 1984 PA 431, MCL 18.1367b, shall calculate a pupil  
25 membership factor, a revenue adjustment factor, and an index as  
26 follows:

27           (a) The pupil membership factor shall be computed by dividing the  
28 estimated membership in the school year ending in the current state  
29 fiscal year, excluding intermediate district membership, by the  
30 estimated membership for the school year ending in the subsequent

1 state fiscal year, excluding intermediate district membership. If a  
2 consensus membership factor is not determined at the revenue  
3 estimating conference, the principals of the revenue estimating  
4 conference shall report their estimates to the house and senate  
5 subcommittees responsible for school aid appropriations not later than  
6 7 days after the conclusion of the revenue conference.

7 (b) The revenue adjustment factor shall be computed by dividing  
8 the sum of the estimated total state school aid fund revenue for the  
9 subsequent state fiscal year plus the estimated total state school aid  
10 fund revenue for the current state fiscal year, adjusted for any  
11 change in the rate or base of a tax the proceeds of which are  
12 deposited in that fund and excluding money transferred into that fund  
13 from the countercyclical budget and economic stabilization fund under  
14 section 353e of the management and budget act, 1984 PA 431, MCL  
15 18.1353e, by the sum of the estimated total school aid fund revenue  
16 for the current state fiscal year plus the estimated total state  
17 school aid fund revenue for the immediately preceding state fiscal  
18 year, adjusted for any change in the rate or base of a tax the  
19 proceeds of which are deposited in that fund. If a consensus revenue  
20 factor is not determined at the revenue estimating conference, the  
21 principals of the revenue estimating conference shall report their  
22 estimates to the house and senate subcommittees responsible for school  
23 aid appropriations not later than 7 days after the conclusion of the  
24 revenue conference.

25 (c) The index shall be calculated by multiplying the pupil  
26 membership factor by the revenue adjustment factor. ~~However, for~~  
27 ~~1998-99 only, the index shall be 1.00.~~ If a consensus index is not  
28 determined at the revenue estimating conference, the principals of the  
29 revenue estimating conference shall report their estimates to the  
30 house and senate subcommittees responsible for school aid

1 appropriations not later than 7 days after the conclusion of the  
2 revenue conference.

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

8 ~~(16) If at the January revenue estimating conference it is~~  
9 ~~estimated that pupil membership, excluding intermediate district~~  
10 ~~membership, for the subsequent state fiscal year will be greater than~~  
11 ~~101% of the pupil membership, excluding intermediate district~~  
12 ~~membership, for the current state fiscal year, then it is the intent~~  
13 ~~of the legislature that the executive budget proposal for the school~~  
14 ~~aid budget for the subsequent state fiscal year include a general~~  
15 ~~fund/general purpose allocation sufficient to support the membership~~  
16 ~~in excess of 101% of the current year pupil membership.~~

17 ~~(17)~~ (16) Beginning in 1999-2000, for a district that had combined  
18 state and local revenue per membership pupil in the 1993-94 state  
19 fiscal year of more than \$6,500.00, that had fewer than 7 pupils in  
20 membership in the 1993-94 state fiscal year, that has at least 1 ~~pupil~~  
21 ~~in membership~~ CHILD educated in the district in the current state  
22 fiscal year, and that levies the number of mills of school operating  
23 taxes authorized for the district under section 1211 of the revised  
24 school code, MCL 380.1211, the district shall be allocated a minimum  
25 amount of combined state and local revenue as provided under this  
26 subsection. ~~This~~ THE minimum amount of combined state and local  
27 revenue for 1999-2000 shall be \$67,000.00 plus the district's  
28 additional expenses to educate pupils in grades 9 to 12 educated in  
29 other districts as determined and allowed by the department. Beginning  
30 in 2000-2001, the ~~amount of the~~ minimum amount of combined state and



1 local revenue under this subsection, before adding the additional  
2 expenses, shall increase each fiscal year by the same percentage  
3 increase as the percentage increase in the basic foundation allowance  
4 from the immediately preceding fiscal year to the current fiscal year.  
5 The state portion of the minimum amount of combined state and local  
6 revenue under this subsection shall be calculated by subtracting from  
7 the minimum amount of combined state and local revenue under this  
8 subsection the sum of the district's local school operating revenue  
9 and the product of the state portion of the district's foundation  
10 allowance times the district's membership. As used in this  
11 subsection, "additional expenses" means the district's expenses for  
12 tuition or fees, not to exceed \$6,500.00 as adjusted each year by an  
13 amount equal to the dollar amount of the difference between the basic  
14 foundation allowance for the current state fiscal year and \$5,000.00,  
15 plus a room and board stipend not to exceed \$10.00 per school day for  
16 each pupil in grades 9 to 12 educated in another district, as approved  
17 by the department.

18 (17) BEGINNING IN 2000-2001, NO PAYMENTS TO LOCAL DISTRICTS,  
19 UNIVERSITY SCHOOLS, OR PUBLIC SCHOOL ACADEMIES SHALL BE MADE UNDER  
20 THIS SECTION. THE CALCULATIONS IN THIS SECTION SHALL BE USED TO  
21 DETERMINE THE AMOUNT OF STATE PAYMENTS UNDER SECTION 22B.

22 (18) EVERY PER PUPIL FOUNDATION ALLOWANCE CALCULATION UNDER THIS  
23 SECTION SHALL BE REDUCED BY \$100.00 IF AN AMENDMENT THAT WOULD ALTER  
24 SECTION 2, ARTICLE VIII OF THE STATE CONSTITUTION OF 1963 AND CREATE A  
25 NEW SECTION 10, ARTICLE VIII OF THE STATE CONSTITUTION OF 1963,  
26 ESTABLISHING A QUALIFIED SCHOOLS AND LOCAL OPTION TUITION VOUCHER, IS  
27 PASSED.

28 ~~(18)~~ (19) As used in this section:

29 (a) "Combined state and local revenue" means the aggregate of the  
30 district's state school aid received by or paid on behalf of the

1 district under this section and the district's local school operating  
2 revenue.

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

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

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

10 (e) "Immediately preceding state fiscal year" means the state  
11 fiscal year immediately preceding the current state fiscal year.

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

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

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

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

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

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

27 (l) "Taxable value per membership pupil" means taxable value, as  
28 certified by the department of treasury, for the calendar year ending  
29 in the current state fiscal year divided by the district's membership  
30 excluding special education pupils for the school year ending in the

1 current state fiscal year.

2 Sec. 20j. (1) From the appropriation in section 11, there is  
3 allocated for 1999-2000 ~~only~~ an amount not to exceed ~~\$16,000,000.00~~  
4 \$23,000,000.00 for foundation allowance supplemental payments to  
5 districts that in the ~~immediately preceding~~ 1994-95 state fiscal year  
6 had a foundation allowance greater than ~~\$6,962.00~~ and less than  
7 ~~\$12,000.00~~. ~~From the appropriation in section 11, there is allocated~~  
8 ~~for 2000-2001 only an amount not to exceed \$13,000,000.00 for~~  
9 ~~foundation allowance supplemental payments to districts that in the~~  
10 ~~immediately preceding state fiscal year had a foundation allowance~~  
11 ~~greater than \$7,196.00 and less than \$12,234.00~~ \$6,500.00.

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

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

24 (4) BEGINNING IN 2000-2001, NO PAYMENTS TO LOCAL DISTRICTS SHALL  
25 BE MADE UNDER THIS SECTION. THE CALCULATIONS IN THIS SECTION SHALL BE  
26 USED TO DETERMINE THE AMOUNT OF STATE PAYMENTS UNDER SECTION 22B.

27 Sec. 21b. (1) Subject to subsections (2) and (3), a district shall  
28 use funds received under section 20 OR, BEGINNING IN 2000-2001, A  
29 DISTRICT SHALL USE FUNDS RECEIVED UNDER SECTION 22A OR SECTION 22B to  
30 support the attendance of a district pupil at an eligible

1 postsecondary institution under the postsecondary enrollment options  
2 act, Act No. 160 of the Public Acts of 1996, being sections 388.511 to  
3 388.524 of the Michigan Compiled Laws.

4 (2) To the extent required under subsection (3), a district shall  
5 pay tuition and mandatory course fees, material fees, and registration  
6 fees required by an eligible postsecondary institution for enrollment  
7 in an eligible course. A district also shall pay any late fees  
8 charged by an eligible postsecondary institution due to the district's  
9 failure to make a required payment according to the timetable  
10 prescribed by Act No. 160 of the Public Acts of 1996. A district is  
11 not required to pay transportation costs, parking costs, or activity  
12 fees.

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

30 (4) As used in this section, "eligible course", "eligible

1 student", and "eligible postsecondary institution" mean those terms as  
2 defined in section 3 of Act No. 160 of the Public Acts of 1996, being  
3 section 388.513 of the Michigan Compiled Laws.

4 SEC. 22A. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS  
5 ALLOCATED FOR 2000-2001 AN AMOUNT NOT TO EXCEED \$7,230,400,000.00, FOR  
6 2001-2002 AN AMOUNT NOT TO EXCEED \$7,099,400,000.00, AND FOR 2002-2003  
7 AN AMOUNT NOT TO EXCEED \$7,002,800,000.00 FOR PAYMENTS TO DISTRICTS, A  
8 QUALIFYING UNIVERSITY SCHOOL, AND QUALIFYING PUBLIC SCHOOL ACADEMIES  
9 TO GUARANTEE EACH DISTRICT, QUALIFYING UNIVERSITY SCHOOL, AND  
10 QUALIFYING PUBLIC SCHOOL ACADEMY ITS 1994-95 TOTAL STATE AND LOCAL PER  
11 PUPIL REVENUE FOR SCHOOL OPERATING PURPOSES UNDER SECTION 11, ARTICLE  
12 IX OF THE STATE CONSTITUTION OF 1963. PURSUANT TO SECTION 11, ARTICLE  
13 IX OF THE STATE CONSTITUTION OF 1963, THIS GUARANTEE DOES NOT APPLY IN  
14 A YEAR IN WHICH THE LOCAL SCHOOL DISTRICT LEVIES A MILLAGE RATE FOR  
15 SCHOOL DISTRICT OPERATING PURPOSES LESS THAN IT LEVIED IN 1994.  
16 HOWEVER, FOR THE PURPOSES OF CALCULATING THE PAYMENTS UNDER THIS  
17 SECTION, SUBSECTION (2) IS IN EFFECT.

18 (2) TO ENSURE THAT A DISTRICT RECEIVES THE DISTRICT'S 1994-95  
19 TOTAL STATE AND LOCAL PER PUPIL REVENUE FOR SCHOOL OPERATING PURPOSES,  
20 THERE IS ALLOCATED TO EACH DISTRICT A STATE PORTION OF THE DISTRICT'S  
21 1994-95 FOUNDATION ALLOWANCE IN AN AMOUNT CALCULATED UNDER THIS  
22 SUBSECTION.

23 (A) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, THE STATE  
24 PORTION OF A DISTRICT'S 1994-95 FOUNDATION ALLOWANCE IS AN AMOUNT  
25 EQUAL TO THE DISTRICT'S 1994-95 FOUNDATION ALLOWANCE OR \$6,500.00,  
26 WHICHEVER IS LESS, MINUS THE DIFFERENCE BETWEEN THE PRODUCT OF THE  
27 TAXABLE VALUE PER MEMBERSHIP PUPIL OF ALL PROPERTY IN THE DISTRICT  
28 THAT IS NOT A HOMESTEAD OR QUALIFIED AGRICULTURAL PROPERTY TIMES THE  
29 LESSER OF 18 MILLS OR THE NUMBER OF MILLS OF SCHOOL OPERATING TAXES  
30 LEVIED BY THE DISTRICT IN 1993-94 AND THE QUOTIENT OF THE AD VALOREM

1 PROPERTY TAX REVENUE OF THE DISTRICT CAPTURED UNDER 1975 PA 197, MCL  
2 125.1651 TO 125.1681, THE TAX INCREMENT FINANCE AUTHORITY ACT, 1980 PA  
3 450, MCL 125.1801 TO 125.1830, THE LOCAL DEVELOPMENT FINANCING ACT,  
4 1986 PA 281, MCL 125.2151 TO 125.2174, OR THE BROWNFIELD REDEVELOPMENT  
5 FINANCING ACT, 1996 PA 381, MCL 125.2651 TO 125.2672, DIVIDED BY THE  
6 DISTRICT'S MEMBERSHIP. FOR A DISTRICT THAT HAS A MILLAGE REDUCTION  
7 REQUIRED UNDER SECTION 31 OF ARTICLE IX OF THE STATE CONSTITUTION OF  
8 1963, THE STATE PORTION OF THE DISTRICT'S FOUNDATION ALLOWANCE SHALL  
9 BE CALCULATED AS IF THAT REDUCTION DID NOT OCCUR.

10 (B) FOR A DISTRICT THAT HAD A 1994-95 FOUNDATION ALLOWANCE GREATER  
11 THAN \$6,500.00, THE STATE PAYMENT UNDER THIS SUBSECTION SHALL BE THE  
12 SUM OF THE AMOUNT CALCULATED UNDER SUBDIVISION (A) PLUS THE AMOUNT  
13 CALCULATED UNDER THIS SUBDIVISION. THE AMOUNT CALCULATED UNDER THIS  
14 SUBDIVISION SHALL BE EQUAL TO THE DIFFERENCE BETWEEN THE DISTRICT'S  
15 1994-95 FOUNDATION ALLOWANCE MINUS \$6,500.00 AND THE CURRENT YEAR HOLD  
16 HARMLESS SCHOOL OPERATING TAXES PER PUPIL. IF THE CALCULATION UNDER  
17 SUBDIVISION (A) IS NEGATIVE, THE NEGATIVE AMOUNT SHALL BE AN OFFSET  
18 AGAINST ANY STATE PAYMENT CALCULATED UNDER THIS SUBDIVISION. IF A  
19 CALCULATION UNDER THIS SUBDIVISION IS NEGATIVE, NO STATE PAYMENT OR  
20 DEDUCT SHALL BE MADE UNDER THIS SUBDIVISION. THE TAXABLE VALUES PER  
21 MEMBERSHIP PUPIL USED IN THE CALCULATIONS UNDER THIS SUBDIVISION ARE  
22 AS ADJUSTED BY AD VALOREM PROPERTY TAX REVENUE CAPTURED UNDER 1975 PA  
23 197, MCL 125.1651 TO 125.1681, THE TAX INCREMENT FINANCE AUTHORITY  
24 ACT, 1980 PA 450, MCL 125.1801 TO 125.1830, THE LOCAL DEVELOPMENT  
25 FINANCING ACT, 1986 PA 281, MCL 125.2151 TO 125.2174, OR THE  
26 BROWNFIELD REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2651 TO  
27 125.2672, DIVIDED BY THE DISTRICT'S MEMBERSHIP.

28 (3) SUBJECT TO SUBSECTION (4) AND EXCEPT AS OTHERWISE PROVIDED IN  
29 THIS SUBSECTION, FOR PUPILS IN MEMBERSHIP IN A QUALIFYING PUBLIC  
30 SCHOOL ACADEMY OR QUALIFYING UNIVERSITY SCHOOL, THERE IS ALLOCATED

1 UNDER THIS SECTION EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND  
2 FOR 2002-2003 TO THE AUTHORIZING BODY THAT IS THE FISCAL AGENT FOR THE  
3 QUALIFYING PUBLIC SCHOOL ACADEMY FOR FORWARDING TO THE QUALIFYING  
4 PUBLIC SCHOOL ACADEMY, OR TO THE BOARD OF THE PUBLIC UNIVERSITY  
5 OPERATING THE QUALIFYING UNIVERSITY SCHOOL, THE 1994-95 FOUNDATION  
6 ALLOWANCE OF THE QUALIFYING PUBLIC SCHOOL ACADEMY OR QUALIFYING  
7 UNIVERSITY SCHOOL.

8 (4) A DISTRICT, QUALIFYING UNIVERSITY SCHOOL, OR QUALIFYING PUBLIC  
9 SCHOOL ACADEMY MAY USE ANY FUNDS ALLOCATED UNDER THIS SECTION IN  
10 CONJUNCTION WITH ANY FEDERAL FUNDS FOR WHICH THE DISTRICT, QUALIFYING  
11 UNIVERSITY SCHOOL, OR QUALIFYING PUBLIC SCHOOL ACADEMY OTHERWISE WOULD  
12 BE ELIGIBLE.

13 (5) FOR A DISTRICT THAT IS FORMED OR RECONFIGURED AFTER JUNE 1,  
14 2000 BY CONSOLIDATION OF 2 OR MORE DISTRICTS OR BY ANNEXATION, THE  
15 RESULTING DISTRICT'S 1994-95 FOUNDATION ALLOWANCE UNDER THIS SECTION  
16 BEGINNING AFTER THE EFFECTIVE DATE OF THE CONSOLIDATION OR ANNEXATION  
17 SHALL BE THE AVERAGE OF THE 1994-95 FOUNDATION ALLOWANCES OF EACH OF  
18 THE ORIGINAL OR AFFECTED DISTRICTS, CALCULATED AS PROVIDED IN THIS  
19 SECTION, WEIGHTED AS TO THE PERCENTAGE OF PUPILS IN TOTAL MEMBERSHIP  
20 IN THE RESULTING DISTRICT IN THE STATE FISCAL YEAR IN WHICH THE  
21 CONSOLIDATION TAKES PLACE WHO RESIDE IN THE GEOGRAPHIC AREA OF EACH OF  
22 THE ORIGINAL DISTRICTS. IF AN AFFECTED DISTRICT'S 1994-95 FOUNDATION  
23 ALLOWANCE IS LESS THAN THE 1994-95 BASIC FOUNDATION ALLOWANCE, THE  
24 AMOUNT OF THAT DISTRICT'S 1994-95 FOUNDATION ALLOWANCE SHALL BE  
25 CONSIDERED FOR THE PURPOSE OF CALCULATIONS UNDER THIS SUBSECTION TO BE  
26 EQUAL TO THE AMOUNT OF THE 1994-95 BASIC FOUNDATION ALLOWANCE.

27 (6) AS USED IN THIS SECTION:

28 (A) "1994-95 FOUNDATION ALLOWANCE" MEANS A DISTRICT'S 1994-95  
29 FOUNDATION ALLOWANCE CALCULATED AND CERTIFIED BY THE DEPARTMENT OF  
30 TREASURY OR THE SUPERINTENDENT UNDER SECTION 20A AS ENACTED UNDER 1993

1 PA 336 AND AS AMENDED BY 1994 PA 283.

2 (B) "CURRENT STATE FISCAL YEAR" MEANS THE STATE FISCAL YEAR FOR  
3 WHICH A PARTICULAR CALCULATION IS MADE.

4 (C) "CURRENT YEAR HOLD HARMLESS SCHOOL OPERATING TAXES PER PUPIL"  
5 MEANS THE PER PUPIL REVENUE GENERATED BY MULTIPLYING A DISTRICT'S  
6 1994-95 HOLD HARMLESS MILLAGE BY THE DISTRICT'S CURRENT YEAR TAXABLE  
7 VALUE PER MEMBERSHIP PUPIL.

8 (D) "HOLD HARMLESS MILLAGE" MEANS, FOR A SCHOOL DISTRICT WITH A  
9 1994-95 FOUNDATION ALLOWANCE GREATER THAN \$6,500.00, THE NUMBER OF  
10 MILLS BY WHICH THE EXEMPTION FROM THE LEVY OF SCHOOL OPERATING TAXES  
11 ON A HOMESTEAD AND QUALIFIED AGRICULTURAL PROPERTY MAY BE REDUCED AS  
12 PROVIDED IN SECTION 1211(1) OF THE REVISED SCHOOL CODE, MCL 380.1211,  
13 AND THE NUMBER OF MILLS OF SCHOOL OPERATING TAXES THAT MAY BE LEVIED  
14 ON ALL PROPERTY AS PROVIDED IN SECTION 1211(2) OF THE REVISED SCHOOL  
15 CODE, MCL 380.1211, AS CERTIFIED BY THE DEPARTMENT OF TREASURY FOR THE  
16 1994-95 YEAR.

17 (E) "HOMESTEAD" MEANS THAT TERM AS DEFINED IN SECTION 1211 OF THE  
18 REVISED SCHOOL CODE, MCL 380.1211.

19 (F) "MEMBERSHIP" MEANS THE DEFINITION OF THAT TERM UNDER SECTION 6  
20 AS IN EFFECT FOR THE PARTICULAR FISCAL YEAR FOR WHICH A PARTICULAR  
21 CALCULATION IS MADE.

22 (G) "QUALIFIED AGRICULTURAL PROPERTY" MEANS THAT TERM AS DEFINED  
23 IN SECTION 1211 OF THE REVISED SCHOOL CODE, MCL 380.1211.

24 (H) "QUALIFYING PUBLIC SCHOOL ACADEMY" MEANS A PUBLIC SCHOOL  
25 ACADEMY THAT WAS IN OPERATION IN THE 1994-95 SCHOOL YEAR AND IS IN  
26 OPERATION IN THE CURRENT STATE FISCAL YEAR.

27 (I) "QUALIFYING UNIVERSITY SCHOOL" MEANS A UNIVERSITY SCHOOL THAT  
28 WAS IN OPERATION IN THE 1994-95 SCHOOL YEAR AND IS IN OPERATION IN THE  
29 CURRENT STATE FISCAL YEAR.

30 (J) "SCHOOL OPERATING TAXES" MEANS LOCAL AD VALOREM PROPERTY TAXES



1 LEVIED UNDER SECTION 1211 OF THE REVISED SCHOOL CODE, MCL 380.1211,  
2 AND RETAINED FOR SCHOOL OPERATING PURPOSES.

3 (K) "TAXABLE VALUE PER MEMBERSHIP PUPIL" MEANS THE FOLLOWING  
4 DIVIDED BY THE DISTRICT'S MEMBERSHIP:

5 (i) FOR THE NUMBER OF MILLS BY WHICH THE EXEMPTION FROM THE LEVY  
6 OF SCHOOL OPERATING TAXES ON A HOMESTEAD AND QUALIFIED AGRICULTURAL  
7 PROPERTY MAY BE REDUCED AS PROVIDED IN SECTION 1211(1) OF THE REVISED  
8 SCHOOL CODE, MCL 380.1211, THE TAXABLE VALUE OF HOMESTEAD AND  
9 QUALIFIED AGRICULTURAL PROPERTY FOR THE CALENDAR YEAR ENDING IN THE  
10 CURRENT STATE FISCAL YEAR.

11 (ii) FOR THE NUMBER OF MILLS OF SCHOOL OPERATING TAXES THAT MAY BE  
12 LEVIED ON ALL PROPERTY AS PROVIDED IN SECTION 1211(2) OF THE REVISED  
13 SCHOOL CODE, MCL 380.1211, THE TAXABLE VALUE OF ALL PROPERTY FOR THE  
14 CALENDAR YEAR ENDING IN THE CURRENT STATE FISCAL YEAR.

15 SEC. 22B (1). FROM THE APPROPRIATION IN SECTION 11, THERE IS  
16 ALLOCATED FOR 2000-2001 AN AMOUNT NOT TO EXCEED \$1,664,000,000.00, FOR  
17 2001-2002 AN AMOUNT NOT TO EXCEED \$2,114,000,000.00, AND FOR 2002-  
18 2003, AN AMOUNT NOT TO EXCEED \$2,518,000,000.00 FOR DISCRETIONARY  
19 PAYMENTS TO DISTRICTS.

20 (2) BEGINNING IN 2000-2001, THE ALLOCATION TO A DISTRICT SHALL BE  
21 THE SUM OF THE AMOUNTS CALCULATED UNDER SECTION 20, SECTION 20J,  
22 SECTION 51A(2), SECTION 51A(3), AND SECTION 51A(12), MINUS THE SUM OF  
23 THE ALLOCATIONS UNDER SECTION 22A AND SECTION 51C.

24 (3) THE ALLOCATIONS UNDER THIS SECTION SHALL NOT BE CONSIDERED PER  
25 PUPIL REVENUE FOR SCHOOL OPERATING PURPOSES UNDER SECTION 11 OF  
26 ARTICLE IX OF THE STATE CONSTITUTION OF 1963.

27 (4) IN ORDER TO RECEIVE AN ALLOCATION UNDER THIS SECTION, EACH  
28 DISTRICT SHALL ADMINISTER A STANDARDIZED ASSESSMENT OF GRADE-  
29 APPROPRIATE BASIC EDUCATIONAL SKILLS IN GRADES 1-5, AS APPLICABLE, AND  
30 AS APPROVED BY THE DEPARTMENT.

1        SEC. 22C. FROM THE APPROPRIATION IN SECTION 11, THERE IS  
2 ALLOCATED AN AMOUNT NOT TO EXCEED \$116,000,000.00 FOR 2002-2003 TO  
3 MAKE EQUITY PAYMENTS TO DISTRICTS THAT HAVE A FOUNDATION ALLOWANCE IN  
4 2002-2003 OF LESS THAN \$6,500.00. THE EQUITY PAYMENT SHALL BE  
5 CALCULATED BY SUBTRACTING THE QUALIFYING DISTRICT'S 2002-2003  
6 FOUNDATION ALLOWANCE FROM \$6,500.00 AND MULTIPLYING THE RESULT BY THE  
7 DISTRICT'S MEMBERSHIP.

8        Sec. 24.(1) Subject to subsection (2), from the appropriation in  
9 section 11, there is allocated ~~for 1998-99~~, for 1999-2000, ~~and~~ for  
10 2000-2001, FOR 2001-2002, AND FOR 2002-2003, to the educating district  
11 or intermediate district an amount equal to 100% of the added cost  
12 each fiscal year for educating all pupils assigned by a court or the  
13 family independence agency to reside in or to attend a juvenile  
14 detention facility or child caring institution licensed by the family  
15 independence agency or the department of consumer and industry  
16 services and approved by the department to provide an on-grounds  
17 education program. The total amount to be paid under this section for  
18 added cost ~~shall not exceed \$7,000,000.00 for 1998-99 and~~ shall not  
19 exceed \$7,900,000.00 each fiscal year for 1999-2000, ~~and~~ for  
20 2000-2001, FOR 2001-2002, AND FOR 2002-2003. For the purposes of this  
21 section, "added cost" shall be computed by deducting all other revenue  
22 received under this act for pupils described in this section from  
23 total costs, as approved by the department, for educating those pupils  
24 in the on-grounds education program or in a program approved by the  
25 department that is located on property adjacent to a juvenile  
26 detention facility or child caring institution. Costs reimbursed by  
27 federal funds are not included.

28        (2) A district or intermediate district educating pupils described  
29 in this section at a residential child caring institution may operate,  
30 and receive funding under this section for, a department-approved

1 on-grounds educational program for those pupils that is longer than  
 2 181 days, but not longer than 233 days, if the child caring  
 3 institution was licensed as a child caring institution and offered in  
 4 1991-92 an on-grounds educational program that was longer than 181  
 5 days but not longer than 233 days and that was operated by a district  
 6 or intermediate district.

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

9 Sec. 26a. From the general fund appropriation in section 11, there  
 10 is allocated ~~for 1998-99 an amount not to exceed \$5,100,000.00, and~~  
 11 for each fiscal year for 1999-2000, ~~and~~ 2000-2001, 2001-2002, AND  
 12 2002-2003, an amount not to exceed \$7,000,000.00 to reimburse  
 13 districts, intermediate districts, and the state school aid fund  
 14 pursuant to section 12 of the Michigan renaissance zone act, 1996 PA  
 15 376, MCL 125.2692, for taxes levied in 1998, 1999, and 2000,  
 16 respectively. This reimbursement shall be made by adjusting payments  
 17 under section 20 to eligible districts, adjusting payments under  
 18 section 56, 62, or 81 to eligible intermediate districts, and  
 19 adjusting the state school aid fund. The adjustments shall be made  
 20 not later than 60 days after the department of treasury certifies to  
 21 the department and to the state budget director that the department of  
 22 treasury has received all necessary information to properly determine  
 23 the amounts due to each eligible recipient.

24 Sec. 31a. (1) From the state school aid fund money appropriated in  
 25 section 11, there is allocated ~~for 1998-99 an amount not to exceed~~  
 26 ~~\$260,000,000.00,~~ for 1999-2000 an amount not to exceed  
 27 \$270,920,000.00, ~~and~~ for 2000-2001 an amount not to exceed  
 28 ~~\$278,776,700.00~~ \$298,975,300.00, FOR 2001-2002 AN AMOUNT NOT TO EXCEED  
 29 \$309,439,400.00 , AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED  
 30 \$320,269,800.00 for payments to eligible districts and eligible public

1 school academies under this section. Subject to subsection (10), the  
2 amount of the additional allowance under this section shall be based  
3 on the number of actual pupils in membership in the district or public  
4 school academy who met the income eligibility criteria for free  
5 breakfast, lunch, or milk in the immediately preceding state fiscal  
6 year, as determined under the national school lunch act, chapter 281,  
7 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to  
8 1766a, 1769, 1769b to 1769c, and 1769f to 1769h, and reported to the  
9 department by October 31 of the immediately preceding fiscal year and  
10 adjusted not later than December 31 of the immediately preceding  
11 fiscal year. However, for a public school academy that began  
12 operations as a public school academy after the pupil membership count  
13 day of the immediately preceding school year, the basis for the  
14 additional allowance under this section shall be the number of actual  
15 pupils in membership in the public school academy who met the income  
16 eligibility criteria for free breakfast, lunch, or milk in the current  
17 state fiscal year, as determined under the national school lunch act.

18 (2) To be eligible to receive funding under this section, a  
19 district or public school academy that has not been previously  
20 determined to be eligible shall apply to the department, in a form and  
21 manner prescribed by the department, and a district or public school  
22 academy must meet all of the following:

23 (a) The sum of the district's or public school academy's combined  
24 state and local revenue per membership pupil in the current state  
25 fiscal year, as calculated under section 20, plus, ~~each fiscal year~~  
26 ~~for 1999-2000 and 2000-2001 only,~~ the amount of the district's per  
27 pupil allocation under section 20j(2), is less than or equal to  
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.

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

4 (3) Except as otherwise provided in this subsection, an eligible  
5 district or eligible public school academy shall receive under this  
6 section for each membership pupil in the district or public school  
7 academy who met the income eligibility criteria for free breakfast,  
8 lunch, or milk, as determined under the national school lunch act and  
9 as reported to the department by October 31 of the immediately  
10 preceding fiscal year and adjusted not later than December 31 of the  
11 immediately preceding fiscal year, an amount per pupil equal to 11.5%  
12 of the sum of the district's foundation allowance or public school  
13 academy's per pupil allocation under section 20, plus  ~~, each fiscal~~  
14  ~~year for 1999-2000 and 2000-2001 only,~~ the amount of the district's  
15 per pupil allocation under section 20j(2), not to exceed \$6,500.00  
16 adjusted by the dollar amount of the difference between the basic  
17 foundation allowance under section 20 for the current state fiscal  
18 year and \$5,000.00, or of the public school academy's per membership  
19 pupil allocation under section 20 for the current state fiscal year.  
20 A public school academy that began operations as a public school  
21 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 by October 31 of the current fiscal year and adjusted not later than  
27 December 31 of the current fiscal year, an amount per pupil equal to  
28 11.5% of the public school academy's per membership pupil allocation  
29 under section 20 for the current state fiscal year.

30 (4) Except as otherwise provided in this section, a district or

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

21 (5) A district or public school academy that receives funds under  
22 this section and that operates a school breakfast program under  
23 section 1272a of the revised school code, MCL 380.1272a, shall use  
24 from the funds received under this section an amount, not to exceed  
25 \$10.00 per pupil for whom the district or public school academy  
26 receives funds under this section, necessary to operate the school  
27 breakfast program. ~~A~~ FOR 1999-2000 ONLY, A district or public school  
28 academy that receives funds under this section and that operates a  
29 school lunch program under section 1272a of the revised school code,  
30 MCL 380.1272a, shall use from the funds received under this section an

1 amount, not to exceed \$10.00 per pupil for whom the district or public  
2 school academy receives funds under this section, necessary to operate  
3 the school lunch program.

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

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

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

1 receives under this section to reduce the ratio of pupils to teachers  
2 in grades K-6, or any combination of those grades, in school buildings  
3 in which the percentage of pupils described in subsection (1) is at  
4 least 60% of the district's aggregate percentage of those pupils and  
5 at least 30% of the total number of pupils enrolled in the school  
6 building. To obtain a waiver, a district must apply to the department  
7 and demonstrate to the satisfaction of the department that the class  
8 size reductions would be in the best interests of the district's  
9 at-risk pupils.

10 (9) ~~A~~ FOR 1999-2000 ONLY, A district or public school academy may  
11 use funds received under this section for adult high school  
12 completion, general education development (G.E.D.) test preparation,  
13 or adult basic education programs described in section 107.

14 (10) If necessary, and before any proration required under section  
15 11, the department shall prorate payments under this section by  
16 reducing the amount of the per pupil payment under this section by a  
17 dollar amount calculated by determining the amount by which the amount  
18 necessary to fully fund the requirements of this section exceeds the  
19 maximum amount allocated under this section and then dividing that  
20 amount by the total statewide number of pupils who met the income  
21 eligibility criteria for free breakfast, lunch, or milk in the  
22 immediately preceding fiscal year, as described in subsection (1).

23 (11) If a district is formed by consolidation after June 1, 1995,  
24 and if 1 or more of the original districts was not eligible before the  
25 consolidation for an additional allowance under this section, the  
26 amount of the additional allowance under this section for the  
27 consolidated district shall be based on the number of pupils described  
28 in subsection (1) enrolled in the consolidated district who reside in  
29 the territory of an original district that was eligible before the  
30 consolidation for an additional allowance under this section.



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

25 (13) Beginning in ~~1999-2000~~ 2001-2002, the total amount allocated  
26 under this section for a fiscal year shall be increased from the total  
27 amount allocated under this section for the immediately preceding  
28 fiscal year by the same percentage as the percentage increase in the  
29 amount of the basic foundation allowance under section 20 for that  
30 fiscal year from the amount of the basic foundation allowance under

1 section 20 for the immediately preceding fiscal year.

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

23 Sec. 31c. (1) From the state school aid fund appropriation in  
24 section 11, there is allocated ~~for 1998-99~~, for 1999-2000, ~~and~~ for  
25 2000-2001, FOR 2001-2002, AND FOR 2002-2003, an amount not to exceed  
26 \$19,750,000.00 each fiscal year for grants to eligible districts for  
27 pilot programs to maintain or establish small classes in grades K to 3  
28 in eligible school buildings in the district.

29 (2) For a school building to be eligible for funding under this  
30 section, the school building must operate at least 1 of grades K to 3;

1 the school building must be operated by a district that operates all  
 2 of grades K to 12 and that receives funds under section 31a; and at  
 3 least 50% of the actual pupils enrolled in the school building in the  
 4 immediately preceding fiscal year must have been eligible for free  
 5 lunch, as determined under the national school lunch act, chapter 281,  
 6 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to  
 7 1766b, 1769, 1769b to 1769c, and 1769f to 1769h, and reported to the  
 8 department not later than October 31 of the immediately preceding  
 9 fiscal year and adjusted not later than December 31 of the immediately  
 10 preceding fiscal year.

11 (3) Not more than 25% of the total allocation under subsection (1)  
 12 may be paid to any 1 particular district. The department shall make  
 13 allocations under subsection (1) to at least 12 districts, and the  
 14 districts shall be geographically diverse.

15 (4) A district receiving funds under subsection (1) shall use the  
 16 funds to maintain or establish small classes in grades K to 3 in  
 17 school buildings of the district for which funds are received under  
 18 this section. The average class size shall be not more than 17 pupils  
 19 per class, with not more than 19 pupils in any particular class. Each  
 20 fiscal year, a district receiving funds under subsection (1) shall use  
 21 at least \$2,000,000.00 or 25% of the funds the district receives for  
 22 the fiscal year under section 31a, whichever is less, for the purposes  
 23 of this section.

24 (5) Funding to districts under this section for ~~1998-99~~ 1999-2000  
 25 is intended to be for the ~~first~~ SECOND of ~~4~~ 5 years of funding. ~~and~~  
 26 ~~funding~~ FUNDING to districts under this section for ~~1999-2000~~ 2000-  
 27 2001 is intended to be for the ~~second~~ THIRD of ~~4~~ 5 years of funding.  
 28 FUNDING TO DISTRICTS UNDER THIS SECTION FOR 2001-2002 IS INTENDED TO  
 29 BE FOR THE FOURTH OF 5 YEARS OF FUNDING. FUNDING TO DISTRICTS UNDER  
 30 THIS SECTION FOR 2002-2003 IS INTENDED TO BE FOR THE FIFTH OF 5 YEARS

1 OF FUNDING.

2 (6) ~~From the general fund appropriation in section 11, there is~~  
3 ~~allocated to the department for 1998-99 an amount not to exceed~~  
4 ~~\$250,000.00 for a study of the effectiveness of small classes in~~  
5 ~~improving pupil performance. Notwithstanding section 17b, payments~~  
6 ~~under this subsection may be made pursuant to an agreement with the~~  
7 ~~department.~~ The funds allocated under this subsection IN 1998-99 may  
8 be expended after the 1998-99 fiscal year through the end of either  
9 the fourth FIFTH fiscal year of funding under this section or the  
10 final fiscal year of funding under this section, whichever occurs  
11 earlier.

12 Sec. 31d. (1) From the state school aid fund appropriation in  
13 section 11, there is allocated ~~an amount not to exceed \$13,227,500.00~~  
14 ~~for 1998-1999~~ and an amount not to exceed ~~\$6,963,000.00~~ \$6,454,500.00  
15 ~~each fiscal year~~ for 1999-2000, and AN AMOUNT NOT TO EXCEED  
16 \$13,669,500.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED \$14,079,600.00  
17 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$14,502,000.00 FOR 2002-  
18 2003, AND FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS  
19 ALLOCATED AN AMOUNT NOT TO EXCEED \$662,200.00 FOR 2000-2001, AN AMOUNT  
20 NOT TO EXCEED \$682,100.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED  
21 \$702,500.00 FOR 2002-2003 for the purpose of making payments TO  
22 DISTRICTS, INTERMEDIATE DISTRICTS, AND ALL ELIGIBLE ENTITIES under  
23 this section.

24 (2) The amounts allocated under this section shall be used to pay  
25 the amount necessary to reimburse districts for 6.0127% of the  
26 necessary costs of the state mandated portion of the school lunch  
27 programs provided by those districts. The amount due to each district  
28 under this section shall be computed by the department using the  
29 methods of calculation adopted by the Michigan supreme court in the  
30 consolidated cases known as Durant v State of Michigan, Michigan

1 supreme court docket no. 104458-104492.

2 (3) ~~The~~ FOR 1999-2000, THE payments made under this section are in  
3 addition to the state payments made to districts under the department  
4 of education appropriations act for ~~the corresponding fiscal year~~  
5 1999-2000 and under section 31a(5), so that each district receives  
6 from all of these sources combined at least 6.0127% of the necessary  
7 costs of operating the state mandated portion of the school lunch  
8 program in a fiscal year. BEGINNING IN 2000-2001, THE PAYMENTS MADE  
9 UNDER THIS SECTION INCLUDE ALL STATE PAYMENTS MADE TO DISTRICTS SO  
10 THAT EACH DISTRICT RECEIVES AT LEAST 6.0127% OF THE NECESSARY COSTS OF  
11 OPERATING THE STATE MANDATED PORTION OF THE SCHOOL LUNCH PROGRAM IN A  
12 FISCAL YEAR.

13 ~~(4) The 1998-99 payment to each district under this section~~  
14 ~~includes reimbursement for both 1997-98 and 1998-99, and the portion~~  
15 ~~of the 1998-99 payment that is attributable to reimbursement for~~  
16 ~~1997-98 shall be made within 60 days after the effective date of this~~  
17 ~~section.~~

18 (4) BEGINNING IN 2000-2001, NOTWITHSTANDING SECTION 17B, PAYMENTS  
19 TO INTERMEDIATE DISTRICTS AND ELIGIBLE ENTITIES UNDER THIS SECTION  
20 SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

21 Sec. 32. (1) From the state school aid fund appropriation in  
22 section 11, there is allocated each fiscal year for 1999-2000, ~~and~~ for  
23 2000-2001, FOR 2001-2002, AND FOR 2002-2003, an amount not to exceed  
24 \$5,000,000.00 for competitive grants under this section to eligible  
25 districts AND TO PUBLIC SCHOOL ACADEMIES LOCATED WITHIN ELIGIBLE  
26 DISTRICTS for pilot reading improvement programs for pupils in grades  
27 K to 3.

28 (2) To be eligible for a grant under this section, a district must  
29 have HAD at least 1,500 pupils in membership IN 1998-99, and ~~at least~~  
30 ~~8%~~ of the NUMBER OF pupils ~~enrolled~~ in the district IN 1998-99 ~~must~~

1 THAT have been determined to have a specific learning disability  
2 according to R 340.1713 of the Michigan administrative code, AS  
3 DETERMINED IN THE DECEMBER 1, 1998 HEAD COUNT REQUIRED UNDER THE  
4 INDIVIDUALS WITH DISABILITIES EDUCATION ACT, TITLE VI OF PUBLIC LAW  
5 91-230, MUST EQUAL OR EXCEED 8% OF THE DISTRICT'S MEMBERSHIP. FOR A  
6 PUBLIC SCHOOL ACADEMY TO BE ELIGIBLE FOR A GRANT UNDER THIS SECTION,  
7 THE PUBLIC SCHOOL ACADEMY MUST BE LOCATED IN A DISTRICT THAT IS  
8 ELIGIBLE UNDER THIS SUBSECTION.

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

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

15 (b) The program shall be a research-based structured reading  
16 program.

17 (c) The program shall include continuous assessment of pupils and  
18 individualized education plans for pupils.

19 (d) The program shall align learning resources to state standards.

20 (4) A reading improvement program receiving funding under this  
21 section may be conducted outside of regular school hours or outside  
22 the regular school calendar.

23 (5) To compete for a grant under this section, a district OR  
24 PUBLIC SCHOOL ACADEMY shall apply to the superintendent ~~of public~~  
25 ~~instruction not later than December 1, 1999~~ in the form and manner  
26 prescribed by the superintendent ~~of public instruction~~. The  
27 department shall make applications available for this purpose ~~not~~  
28 ~~later than October 15, 1999~~. A district OR PUBLIC SCHOOL ACADEMY  
29 shall include in its application a projected budget for the reading  
30 assistance programs. The superintendent ~~of public instruction~~ shall

1 approve or disapprove applications and notify the applying district OR  
2 PUBLIC SCHOOL ACADEMY of that decision ~~not later than February 1,~~  
3 ~~2000~~. Priority in awarding grants shall be given to programs that  
4 focus on accelerating student achievement on a cost-effective basis  
5 and reducing the percentage of pupils identified as learning disabled.

6 (6) Not more than 25% of the total allocation under this section  
7 may be paid to any 1 particular district OR PUBLIC SCHOOL ACADEMY.  
8 The department shall ensure that the districts AND PUBLIC SCHOOL  
9 ACADEMIES receiving grants are geographically diverse.

10 (7) A district OR PUBLIC SCHOOL ACADEMY receiving funds under this  
11 section shall use the funds for reading improvement programs described  
12 in subsection (3). A district OR PUBLIC SCHOOL ACADEMY receiving  
13 funds under this section shall provide at least a 25% local match from  
14 local resources. This matching requirement may be satisfied through  
15 in-kind services.

16 (8) From the funding allocated under this section, at least  
17 \$250,000.00 shall be used for grants to districts OR PUBLIC SCHOOL  
18 ACADEMIES for reading recovery programs. A district OR PUBLIC SCHOOL  
19 ACADEMY receiving a grant under this subsection shall use the funds to  
20 implement the reading recovery curriculum for the first time in 1 or  
21 more of grades K to 3 in 1 or more school buildings.

22 (9) Funding to districts AND PUBLIC SCHOOL ACADEMIES under this  
23 section for 1999-2000 is intended to be for the first of 4 years of  
24 funding. ~~FUNDING and funding~~ to districts AND PUBLIC SCHOOL ACADEMIES  
25 under this section for 2000-2001 is intended to be for the second of 4  
26 years of funding. FUNDING TO DISTRICTS AND PUBLIC SCHOOL ACADEMIES  
27 UNDER THIS SECTION FOR 2001-2002 IS INTENDED TO BE FOR THE THIRD OF 4  
28 YEARS OF FUNDING. FUNDING TO DISTRICTS AND PUBLIC SCHOOL ACADEMIES  
29 FOR 2002-2003 IS INTENDED TO BE FOR THE FOURTH OF 4 YEARS OF FUNDING.

30 (10) A district OR PUBLIC SCHOOL ACADEMY receiving ~~funding~~ FUNDS

1 under this section shall report to the department, in the form and  
2 manner prescribed by the department, on the results achieved by the  
3 reading improvement program. This report shall include a description  
4 of how pupils' reading skills are assessed and evaluated. Not later  
5 than September 1, ~~2000, and annually thereafter,~~ OF EACH FISCAL YEAR,  
6 the department shall submit a report to the legislature, THE STATE  
7 BUDGET DIRECTOR, and the senate and house fiscal agencies detailing  
8 the results of the pilot reading improvement programs. It is the  
9 intent of the legislature that further funding for special reading  
10 programs will reflect the results achieved in these pilot programs.

11 Sec. 36. (1) From the state school aid fund money appropriated in  
12 section 11, there is allocated an amount not to exceed \$55,000,000.00  
13 ~~each fiscal year for 1998-99,~~ 1999-2000, and AN AMOUNT NOT TO EXCEED  
14 \$67,500,000.00 EACH FISCAL YEAR FOR 2000-2001, 2001-2002, AND 2002-  
15 2003, for school readiness grants to enable eligible districts, as  
16 determined under section 37, to develop or expand, in conjunction with  
17 whatever federal funds may be available, including, but not limited  
18 to, federal funds under title I of the elementary and secondary  
19 education act of 1965, Public Law 89-10, 108 Stat. 3519, chapter 1 of  
20 title I of the Hawkins-Stafford elementary and secondary school  
21 improvement amendments of 1988, Public Law 89-10, 102 Stat. 140, and  
22 the head start act, subchapter B of chapter 8 of subtitle A of title  
23 VI of the omnibus budget reconciliation act of 1981, Public Law 97-35,  
24 comprehensive compensatory programs designed to improve the readiness  
25 and subsequent achievement of educationally disadvantaged children as  
26 defined by the department who will be at least 4, but less than 5  
27 years of age, as of December 1 of the school year in which the  
28 programs are offered, and who show evidence of 2 or more risk factors  
29 as defined in the state board report entitled "children at risk" that  
30 was adopted by the state board on April 5, 1988. A comprehensive



1 compensatory program funded under this section shall include an  
2 age-appropriate educational curriculum, nutritional services, health  
3 screening for participating children, a plan for parent and legal  
4 guardian involvement, and provision of referral services for families  
5 eligible for community social services. In addition, from the general  
6 fund money appropriated in section 11, there is allocated ~~an amount~~  
7 ~~not to exceed \$200,000.00 for 1998-99 for the purposes of subsection~~  
8 ~~(2) and~~ an amount not to exceed \$5,200,000.00 ~~each fiscal year~~ for  
9 1999-2000, ~~and~~ AN AMOUNT NOT TO EXCEED \$20,200,000.00 FOR 2000-2001,  
10 AN AMOUNT NOT TO EXCEED \$25,200,000.00 FOR 2001-2002, AND AN AMOUNT  
11 NOT TO EXCEED \$30,200,000.00 FOR 2002-2003 for the purposes of  
12 subsections (2) and (3).

13 (2) From the general fund allocation in subsection (1), there is  
14 allocated each fiscal year for ~~1998-99~~, 1999-2000, ~~and~~ 2000-2001,  
15 2001-2002, AND 2002-2003, an amount not to exceed \$200,000.00 for a  
16 competitive grant to continue a longitudinal evaluation of children  
17 who have participated in the Michigan school readiness program.

18 (3) From the general fund allocation in subsection (1), there is  
19 allocated ~~each fiscal year~~ for 1999-2000, ~~and 2000-2001~~, an amount not  
20 to exceed \$5,000,000.00, FOR 2000-2001 AN AMOUNT NOT TO EXCEED  
21 \$20,000,000.00, FOR 2001-2002 AN AMOUNT NOT TO EXCEED \$25,000,000.00,  
22 AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$30,000,000.00 under this  
23 subsection to expand current school readiness programs and head start  
24 programs to operate a full day. The funds shall be allocated through  
25 a competitive grant process to eligible districts that receive funding  
26 under subsection (1), to eligible public or nonprofit entities or  
27 agencies that receive funding for school readiness programs under the  
28 department appropriations act, or to eligible head start funded  
29 programs. The department shall determine the competitive grant  
30 criteria. The department may accept available federal funds from the

1 family independence agency to support the program under this  
2 subsection. These federal funds include, but are not limited to,  
3 federal temporary assistance to needy families funds.

4 (4) A district, entity, or agency receiving funding under  
5 subsection (3) that offers head start or school readiness programs may  
6 use the funds to expand the program to operate a full day.

7 (5) A district, entity, or agency receiving funding under  
8 subsection (3) shall contribute a local match, which may consist of  
9 local, private, or federal funds or in-kind services, totaling at  
10 least 50% of the allocation under subsection (3).

11 (6) An application for a grant under subsection (3) shall be in  
12 the form and manner prescribed by the department. The department  
13 shall make the application form available to districts by December 15  
14 of the school year. The application shall include a program budget  
15 that states all sources of funding to be used for the program.  
16 Applications shall be submitted to the department not later than  
17 February 1 of the school year. The department shall approve or  
18 disapprove the application and notify the applying district, entity,  
19 or agency of that decision by April 1 of the school year. Funds  
20 allocated under subsection (3) for the current fiscal year may be  
21 expended through the end of the following fiscal year.

22 (7) A district receiving a grant under this section may contract  
23 for the provision of the comprehensive compensatory program or full  
24 day school readiness program and retain for administrative services an  
25 amount equal to not more than 5% of the grant amount.

26 (8) As used in this section, "full day" means a program that  
27 offers supplementary day care and therefore offers full-day  
28 programming of at least 10 hours per day as part of its school  
29 readiness program.

30 Sec. 36a. (1) From the general fund appropriation in section 11,

1 there is allocated an amount not to exceed \$2,000,000.00 each fiscal  
2 year ~~for 1998-99~~, for 1999-2000, and for 2000-2001, FOR 2001-2002, AND  
3 FOR 2002-2003, to the department for grants for community-based  
4 collaborative prevention services designed to foster positive  
5 parenting skills; improve parent/child interaction, especially for  
6 children 0-3 years of age; promote access to needed community  
7 services; increase local capacity to serve families at risk; improve  
8 school readiness; and support healthy family environments that  
9 discourage alcohol, tobacco, and other drug use. This appropriation  
10 is to fund secondary prevention programs as defined by the children's  
11 trust fund for the prevention of child abuse and neglect.

12 (2) The funds allocated under subsection (1) shall be distributed  
13 through a joint request for proposals process established by the  
14 department in conjunction with the children's trust fund and the  
15 state's interagency systems reform workgroup. Projects funded with  
16 grants awarded under this section shall meet all of the following:

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

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

24 (c) Provide a 25% local match, of which not more than 10% may be  
25 in-kind services, unless this requirement is waived by the interagency  
26 systems reform workgroup.

27 (3) From the general fund appropriation in section 11, there is  
28 allocated an amount not to exceed \$700,000.00 for 1999-2000 to the  
29 department for grants to districts, intermediate districts, and  
30 multipurpose collaborative boards for the purpose of collaborative

1 community efforts to increase parent involvement in their children's  
2 education and to enhance parent education programs regarding the role  
3 of parents as their children's first teacher and the importance of  
4 parental involvement in preparing children for school.

5 (4) The funds allocated under subsection (3) shall be distributed  
6 by the department on a competitive grant basis. The grants shall be  
7 for programs for families with preschool children from birth to age 5.  
8 The maximum grant award shall not exceed \$100,000.00. Grant awards  
9 shall be matched on a 1-to-1 ratio with local funding. The department  
10 shall report to the state budget office and to the house and senate  
11 appropriations committees the total applications received, the grants  
12 awarded, and the programs proposed.

13 (5) Notwithstanding section 17b, payments under this section may  
14 be made pursuant to an agreement with the department.

15 Sec. 40. The department biennially shall review alternative  
16 methods to determine the number of children construed to be in need of  
17 special readiness assistance and shall report not later than November  
18 15 of each even-numbered year its findings and recommendations to the  
19 senate and house appropriations subcommittees responsible for district  
20 funding and the senate and house committees responsible for education  
21 legislation and the ~~department of management and budget~~ STATE BUDGET  
22 DIRECTOR.

23 Sec. 41. From the appropriation in section 11, there is allocated  
24 an amount not to exceed \$4,212,000.00 each fiscal year ~~for 1998-99,~~  
25 for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003, to  
26 applicant districts and intermediate districts offering programs of  
27 bilingual instruction for pupils of limited English-speaking ability  
28 under section 1153 of the revised school code, MCL 380.1153.  
29 Reimbursement shall be on a per pupil basis and shall be based on the  
30 number of pupils of limited English-speaking ability in membership on

1 the pupil membership count day. Funds allocated under this section  
2 shall be used solely for bilingual instruction in speaking, reading,  
3 writing, or comprehension of pupils of limited English-speaking  
4 ability.

5 Sec. 51a. (1) From the appropriation in section 11, there is  
6 allocated for ~~1998-99~~ 1999-2000 an amount not to exceed  
7 ~~\$735,059,400.00~~ \$778,550,900.00 from state sources and all available  
8 federal funding under sections 611 to 619 of part B of the individuals  
9 with disabilities education act, title VI of Public Law 91-230, 20  
10 U.S.C. 1411 to 1419, estimated at \$120,000,000.00, plus any carryover  
11 federal funds from previous year appropriations; there is allocated  
12 for ~~1999-2000~~ 2000-2001 an amount not to exceed ~~\$789,643,000.00~~  
13 \$754,801,900.00 from state sources and all available federal funding,  
14 estimated at \$120,000,000.00, plus any carryover federal funds from  
15 previous year appropriations; ~~and~~ there is allocated for ~~2000-2001~~  
16 2001-2002 an amount not to exceed ~~\$846,252,600.00~~ \$820,061,900.00 from  
17 state sources and all available federal funding, estimated at  
18 \$120,000,000.00, plus any carryover federal funds from previous year  
19 appropriations; AND THERE IS ALLOCATED FOR 2002-2003 AN AMOUNT NOT TO  
20 EXCEED \$884,781,900.00 FROM STATE SOURCES AND ALL AVAILABLE FEDERAL  
21 FUNDING, ESTIMATED AT \$120,000,000.00, PLUS ANY CARRYOVER FEDERAL  
22 FUNDS FROM PREVIOUS YEAR APPROPRIATIONS. The allocations under this  
23 subsection are for the purpose of reimbursing districts and  
24 intermediate districts for special education programs, services, and  
25 special education personnel as prescribed in article 3 of the revised  
26 school code, MCL 380.1701 to 380.1766; net tuition payments made by  
27 intermediate districts to the Michigan schools for the deaf and blind;  
28 and special education programs and services for pupils who are  
29 eligible for special education programs and services according to  
30 statute or rule. For meeting the costs of special education programs

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

9 (2) From the funds allocated under subsection (1), there is  
 10 allocated ~~for 1998-99~~, for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-  
 11 2002, AND FOR 2002-2003 the amount necessary, estimated at  
 12 ~~\$622,459,400.00 for 1998-99, \$677,953,200.00~~ \$656,800,000.00 for  
 13 1999-2000, ~~and \$734,696,200.00~~ \$128,700,000.00 for 2000-2001,  
 14 \$139,800,000.00 FOR 2001-2002, AND \$151,900,000.00 FOR 2002-2003, for  
 15 payments toward reimbursing districts and intermediate districts for  
 16 28.6138% of total approved costs of special education, excluding costs  
 17 reimbursed under section 53a, and 70.4165% of total approved costs of  
 18 special education transportation. Allocations under this subsection  
 19 shall be made as follows:

20 (a) The initial amount allocated to a district under this  
 21 subsection toward fulfilling the specified percentages shall be  
 22 calculated by multiplying the district's special education pupil  
 23 membership, excluding pupils described in subsection (12), times the  
 24 sum of the foundation allowance under section 20 of the pupil's  
 25 district of residence plus, ~~each fiscal year for 1999-2000 and~~  
 26 ~~2000-2001 only~~, the amount of the district's per pupil allocation  
 27 under section 20j(2), not to exceed \$6,500.00 adjusted by the dollar  
 28 amount of the difference between the basic foundation allowance under  
 29 section 20 for the current fiscal year and \$5,000.00, or, for a  
 30 special education pupil in membership in a district that is a public

1 school academy or university school, times an amount equal to the  
 2 amount per membership pupil calculated under section 20(6). For an  
 3 intermediate district, the amount allocated under this subdivision  
 4 toward fulfilling the specified percentages shall be an amount per  
 5 special education membership pupil, excluding pupils described in  
 6 subsection (12), and shall be calculated in the same manner as for a  
 7 district, using the foundation allowance under section 20 of the  
 8 pupil's district of residence, not to exceed \$6,500.00 adjusted by the  
 9 dollar amount of the difference between the basic foundation allowance  
 10 under section 20 for the current fiscal year and \$5,000.00, and ~~each~~  
 11 ~~fiscal year for 1999-2000 and 2000-2001 only,~~ that district's per  
 12 pupil allocation under section 20j(2).

13 (b) After the allocations under subdivision (a), districts and  
 14 intermediate districts for which the payments under subdivision (a) do  
 15 not fulfill the specified percentages shall be paid the amount  
 16 necessary to achieve the specified percentages for the district or  
 17 intermediate district.

18 (3) From the funds allocated under subsection (1), there is  
 19 allocated ~~each fiscal year for 1998-99,~~ for 1999-2000, ~~and for~~  
 20 ~~2000-2001,~~ the amount necessary, estimated at ~~\$34,860,300.00 for~~  
 21 ~~1998-99, \$34,150,000.00~~ \$38,729,000.00 ~~for 1999-2000, and~~  
 22 ~~\$30,926,000.00 for 2000-2001,~~ to make payments to districts and  
 23 intermediate districts under this subsection. If the amount allocated  
 24 to a district or intermediate district for ~~1998-99,~~ 1999-2000, ~~or~~  
 25 2000-2001, 2001-2002, OR 2002-2003 under subsection (2)(b) is less  
 26 than the sum of the amounts allocated to the district or intermediate  
 27 district for 1996-97 under sections 52 and 58, there is allocated to  
 28 the district or intermediate district ~~for 1998-99,~~ for 1999-2000, ~~or~~  
 29 for 2000-2001, FOR 2001-2002, OR FOR 2002-2003, or all of them as  
 30 applicable, an amount equal to that difference, adjusted by applying

1 the same proration factor that was used in the distribution of funds  
2 under section 52 in 1996-97 as adjusted to the district's or  
3 intermediate district's necessary costs of special education used in  
4 calculations for ~~1998-99~~, 1999-2000, ~~or~~ 2000-2001, 2001-2002, OR 2002-  
5 2003. This adjustment is to reflect reductions in special education  
6 program operations between 1996-97 and ~~1998-99~~, 1999-2000, ~~or~~  
7 2000-2001, 2001-2002, OR 2002-2003, as applicable. BEGINNING IN 2000-  
8 2001, ADJUSTMENTS FOR REDUCTIONS IN SPECIAL EDUCATION PROGRAM  
9 OPERATIONS SHALL BE MADE IN A MANNER DETERMINED BY THE DEPARTMENT AND  
10 SHALL INCLUDE ADJUSTMENTS FOR PROGRAM SHIFTS.

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

29 (5) State funds shall be allocated on a total approved cost basis.  
30 Federal funds shall be allocated under applicable federal



1 requirements, except that an amount not to exceed \$3,500,000.00 each  
2 fiscal year may be allocated by the department ~~for 1998-99~~, for  
3 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 to  
4 districts or intermediate districts on a competitive grant basis for  
5 programs, equipment, and services that the department determines to be  
6 designed to benefit or improve special education on a statewide scale.

7 (6) From the amount allocated in subsection (1), there is  
8 allocated an amount not to exceed \$2,200,000.00 each fiscal year ~~for~~  
9 ~~1998-99~~, for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR  
10 2002-2003 to reimburse 100% of the net increase in necessary costs  
11 incurred by a district or intermediate district in implementing the  
12 revisions in the administrative rules for special education that  
13 became effective on July 1, 1987. As used in this subsection, "net  
14 increase in necessary costs" means the necessary additional costs  
15 incurred solely because of new or revised requirements in the  
16 administrative rules minus cost savings permitted in implementing the  
17 revised rules. Net increase in necessary costs shall be determined in  
18 a manner specified by the department.

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

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

1 funds included in the allocation made under this article, are not  
2 included. Special education approved personnel not utilized full time  
3 in the evaluation of students or in the delivery of special education  
4 programs, ancillary, and other related services shall be reimbursed  
5 under this section only for that portion of time actually spent  
6 providing these programs and services, with the exception of special  
7 education programs and services provided to youth placed in child  
8 caring institutions or juvenile detention programs approved by the  
9 department to provide an on-grounds education program.

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

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

28 (9) A pupil who is enrolled in a full-time special education  
29 program conducted or administered by an intermediate district or a  
30 pupil who is enrolled in the Michigan schools for the deaf and blind

1 shall not be included in the membership count of a district, but shall  
2 be counted in membership in the intermediate district of residence.

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

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

14 (12) From the funds allocated in subsection (1), there is  
15 allocated each fiscal year ~~for 1998-99,~~ for 1999-2000, and for  
16 2000-2001, FOR 2001-2002, AND FOR 2002-2003 the amount necessary,  
17 estimated at ~~\$10,087,800.00 for 1998-99, and \$10,587,200.00~~  
18 \$10,600,000.00 for 1999-2000, ~~and \$11,178,400.00~~ \$7,100,000.00 for  
19 2000-2001, \$7,350,000.00 FOR 2001-2002, AND \$7,600,000.00 FOR 2002-  
20 2003 to pay the foundation allowances for pupils described in this  
21 subsection. The allocation to a district under this subsection shall  
22 be calculated by multiplying the number of pupils described in this  
23 subsection who are counted in membership in the district times the sum  
24 of the foundation allowance under section 20 of the pupil's district  
25 of residence plus, ~~each fiscal year for 1999-2000 and 2000-2001 only,~~  
26 the amount of the district's per pupil allocation under section  
27 20j(2), not to exceed \$6,500.00 adjusted by the dollar amount of the  
28 difference between the basic foundation allowance under section 20 for  
29 the current fiscal year and \$5,000.00, or, for a pupil described in  
30 this subsection who is counted in membership in a district that is a

1 public school academy or university school, times an amount equal to  
 2 the amount per membership pupil under section 20(6). The allocation  
 3 to an intermediate district under this subsection shall be calculated  
 4 in the same manner as for a district, using the foundation allowance  
 5 under section 20 of the pupil's district of residence, not to exceed  
 6 \$6,500.00 adjusted by the dollar amount of the difference between the  
 7 basic foundation allowance under section 20 for the current fiscal  
 8 year and \$5,000.00, and, ~~each fiscal year for 1999-2000 and 2000-2001~~  
 9 ~~only~~, that district's per pupil allocation under section 20j(2). This  
 10 subsection applies to all of the following pupils:

11 (a) Pupils described in section 53a.

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

15 (c) Emotionally impaired pupils counted in membership by an  
 16 intermediate district and provided educational services by the  
 17 department of community health.

18 (13) After payments under subsections (2) and (12), AND BEGINNING  
 19 IN 2000-2001, SECTION 51C, the remaining expenditures from the  
 20 allocation in subsection (1) shall be made in the following order:

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

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

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

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

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

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

27 (14) BEGINNING IN 2000-2001, THE ALLOCATIONS UNDER SUBSECTION (2),  
 28 SUBSECTION (3), AND SUBSECTION (12) SHALL BE ALLOCATIONS TO  
 29 INTERMEDIATE DISTRICTS ONLY AND SHALL NOT BE ALLOCATIONS TO DISTRICTS,  
 30 BUT SHALL BE CALCULATIONS ONLY USED TO DETERMINE THE STATE PAYMENTS

1 UNDER SECTION 22B.

2 SEC. 51C. AS REQUIRED BY THE COURT IN THE CONSOLIDATED CASES KNOWN  
3 AS DURANT V THE STATE OF MICHIGAN, MICHIGAN SUPREME COURT DOCKET NO.  
4 104458-104492, FROM THE ALLOCATION UNDER SECTION 51A(1), THERE IS  
5 ALLOCATED FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 THE AMOUNT  
6 NECESSARY, ESTIMATED AT \$546,920,000.00 FOR 2000-2001, \$594,630,000.00  
7 FOR 2001-2002, AND \$646,520,000.00 FOR 2002-2003 FOR PAYMENTS TO  
8 REIMBURSE DISTRICTS FOR 28.6138% OF TOTAL APPROVED COSTS OF SPECIAL  
9 EDUCATION EXCLUDING COSTS REIMBURSED UNDER SECTION 53A, AND 70.4165%  
10 OF TOTAL APPROVED COSTS OF SPECIAL EDUCATION TRANSPORTATION.

11 Sec. 53a. (1) Reimbursement shall be 100% of the total approved  
12 costs of operating special education programs and services approved by  
13 the department and included in the intermediate district plan adopted  
14 pursuant to article 3 of the revised school code, MCL 380.1701 to  
15 380.1766, minus the foundation allowance calculated under section 20,  
16 ~~and, each fiscal year for 1999-2000 and 2000-2001 only,~~ minus the  
17 amount of the district's per pupil allocation under section 20j(2),  
18 for the following special education pupils:

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

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

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

28 (d) Pupils enrolled in a department-approved on-grounds  
29 educational program longer than 180 days, but not longer than 233  
30 days, at a residential child care institution, if the child care

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

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

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

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

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

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

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

24 (a) "Membership" ~~means for 1998-99 1999-2000 the total membership~~  
25 ~~in 1997-98 1998-99 of the intermediate district and the districts~~  
26 ~~constituent to the intermediate district;~~ means for 1999-2000 the  
27 total membership in 1998-99 of the intermediate district and the  
28 districts constituent to the intermediate district; ~~and~~ means for  
29 2000-2001 the total membership in 1999-2000 of the intermediate  
30 district and the districts constituent to the intermediate district;

1 MEANS FOR 2001-2002 THE TOTAL MEMBERSHIP IN 2000-2001 OF THE  
2 INTERMEDIATE DISTRICT AND THE DISTRICTS CONSTITUENT TO THE  
3 INTERMEDIATE DISTRICT; AND MEANS FOR 2002-2003 THE TOTAL MEMBERSHIP IN  
4 2001-2002 OF THE INTERMEDIATE DISTRICT AND THE DISTRICTS CONSTITUENT  
5 TO THE INTERMEDIATE DISTRICT.

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

9 (c) "Taxable value" means the total taxable value of the districts  
10 constituent to an intermediate district, except that if a district has  
11 elected not to come under part 30 of the revised school code, MCL  
12 380.1711 to 380.1743, membership and taxable value of the district  
13 shall not be included in the membership and taxable value of the  
14 intermediate district.

15 (2) From the allocation under section 51a(1), there is allocated  
16 an amount not to exceed ~~\$33,950,000.00 for 1998-99, \$34,150,000.00~~  
17 ~~\$38,720,000.00 for 1999-2000, and \$35,750,000.00~~ \$38,380,000.00 for  
18 2000-2001, \$44,580,000.00 FOR 2001-2002, AND \$45,060,00.00 FOR 2002-  
19 2003 to reimburse intermediate districts levying millages for special  
20 education pursuant to part 30 of the revised school code, MCL 380.1711  
21 to 380.1743. The purpose, use, and expenditure of the reimbursement  
22 shall be limited as if the funds were generated by these millages and  
23 governed by the intermediate district plan adopted pursuant to article  
24 3 of the revised school code, MCL 380.1701 to 380.1766. As a  
25 condition of receiving funds under this section, an intermediate  
26 district distributing any portion of special education millage funds  
27 to its constituent districts shall submit for departmental approval  
28 and implement a distribution plan. ~~that utilizes at least the sum of a~~  
29 ~~district's foundation allowance, as calculated under section 20, plus,~~  
30 ~~each fiscal year for 1999-2000 and 2000-2001 only, the amount of the~~

1 ~~district's per pupil allocation under section 20j(2), as a required~~  
2 ~~local contribution.~~

3 (3) ~~Reimbursement for those millages levied in 1997-98 shall be~~  
4 ~~made in 1998-99 at an amount per 1997-98 membership pupil computed by~~  
5 ~~subtracting from \$102,200.00 the 1997-98 taxable value behind each~~  
6 ~~membership pupil, and multiplying the resulting difference by the~~  
7 ~~1997-98 millage levied.~~ Reimbursement for those millages levied in  
8 1998-99 shall be made in 1999-2000 at an amount per 1998-99 membership  
9 pupil computed by subtracting from \$106,800.00 the 1998-99 taxable  
10 value behind each membership pupil, and multiplying the resulting  
11 difference by the 1998-99 millage levied. Reimbursement for those  
12 millages levied in 1999-2000 shall be made in 2000-2001 at an amount  
13 per 1999-2000 membership pupil computed by subtracting from  
14 ~~\$111,600.00~~ \$111,200.00 the 1999-2000 taxable value behind each  
15 membership pupil, and multiplying the resulting difference by the  
16 1999-2000 millage levied. REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN  
17 2000-2001 SHALL BE MADE IN 2001-2002 AT AN AMOUNT PER 2000-2001  
18 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$115,200.00 THE 2000-  
19 2001 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE  
20 RESULTING DIFFERENCE BY THE 2000-2001 MILLAGE LEVIED. REIMBURSEMENT  
21 FOR THOSE MILLAGES LEVIED IN 2001-2002 SHALL BE MADE IN 2002-2003 AT  
22 AN AMOUNT PER 2001-2002 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM  
23 \$118,900.00 THE 2001-2002 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL  
24 AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2001-2002 MILLAGE  
25 LEVIED.

26 (4) FROM THE ALLOCATION IN SUBSECTION (2), THERE IS ALLOCATED AN  
27 AMOUNT NOT TO EXCEED \$3,370,000.00 FOR 1999-2000, AN AMOUNT NOT TO  
28 EXCEED \$2,410,000.00 FOR 2000-2001, AND AN AMOUNT NOT TO EXCEED  
29 \$5,830,000.00 EACH FISCAL YEAR FOR 2001-2002 AND 2002-2003 FOR  
30 PAYMENTS TO INTERMEDIATE DISTRICTS UNDER THIS SUBSECTION THAT DO NOT



1 QUALIFY FOR A PAYMENT UNDER SUBSECTION (3) FOR REIMBURSEMENT FOR  
2 CHANGES AS A RESULT OF REVISIONS TO THE PERSONAL PROPERTY TAX  
3 DEPRECIATION TABLES. THE ALLOCATION FOR 1999-2000 INCLUDES PAYMENTS  
4 FOR PRIOR YEAR ADJUSTMENTS IN TAXABLE VALUE FOR CHANGES AS A RESULT OF  
5 REVISIONS TO THE PERSONAL PROPERTY TAX DEPRECIATION TABLES. TO  
6 RECEIVE A PAYMENT UNDER THIS SUBSECTION, AN INTERMEDIATE DISTRICT  
7 SHALL FILE A CLAIM BY JULY 1 OF THE FISCAL YEAR TO THE DEPARTMENT,  
8 DETAILING THE LOSS OF REVENUE TO THE INTERMEDIATE DISTRICT'S SPECIAL  
9 EDUCATION MILLAGE ATTRIBUTABLE TO THOSE REVISIONS. THE AMOUNT OF THE  
10 PAYMENT UNDER THIS SUBSECTION TO EACH INTERMEDIATE DISTRICT SHALL BE  
11 AN AMOUNT EQUAL TO THE SAME PROPORTION OF THE TOTAL AMOUNT OF FUNDING  
12 AVAILABLE UNDER THIS SUBSECTION AS THE INTERMEDIATE DISTRICT'S CLAIM  
13 UNDER THIS SECTION BEARS TO THE TOTAL AMOUNT OF CLAIMS UNDER THIS  
14 SUBSECTION AND, NOTWITHSTANDING SECTION 121, SHALL NOT BE ADJUSTED FOR  
15 PRIOR YEAR ADJUSTMENTS MORE THAN TWO YEARS AFTER THE END OF THE STATE  
16 FISCAL YEAR FOR WHICH PAYMENT UNDER THIS SUBSECTION WAS MADE.

17 Sec. 57. (1) From the appropriation in section 11, there is  
18 allocated an amount not to exceed \$600,000.00 each fiscal year ~~for~~  
19 ~~1998-99~~, for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR  
20 2002-2003 to applicant intermediate districts that provide support  
21 services for the education of gifted and talented pupils. An  
22 intermediate district is entitled to 75% of the actual salary, but not  
23 to exceed \$25,000.00 reimbursement for an individual salary, of a  
24 support services teacher approved by the department, and not to exceed  
25 \$4,000.00 reimbursement for expenditures to support program costs,  
26 excluding in-county travel and salary, as approved by the department.

27 (2) From the appropriation in section 11, there is allocated an  
28 amount not to exceed \$400,000.00 each fiscal year ~~for 1998-99~~, for  
29 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 to  
30 support part of the cost of summer institutes for gifted and talented

1 students. This amount shall be contracted to applicant intermediate  
2 districts in cooperation with a local institution of higher education  
3 and shall be coordinated by the department.

4 (3) From the appropriation in section 11, there is allocated an  
5 amount not to exceed \$4,000,000.00 each fiscal year ~~for 1998-99~~, for  
6 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 for the  
7 development and operation of comprehensive programs for gifted and  
8 talented pupils. An eligible district or consortium of districts  
9 shall receive an amount not to exceed \$50.00 per K-12 pupil for up to  
10 5% of the district's or consortium's K-12 membership for the  
11 immediately preceding fiscal year with a minimum total grant of  
12 \$3,000.00. Funding shall be provided in the following order: the per  
13 pupil allotment, and then the minimum total grant of \$3,000.00 to  
14 individual districts. An intermediate district may act as the fiscal  
15 agent for a consortium of districts. In order to be eligible for  
16 funding under this subsection, the district or consortium of districts  
17 shall submit each year a current 3-year plan for operating a  
18 comprehensive program for gifted and talented pupils and the district  
19 or consortium shall demonstrate to the department that the district or  
20 consortium will contribute matching funds of at least \$50.00 per K-12  
21 pupil. The plan or revised plan shall be developed in accordance with  
22 criteria established by the department and shall be submitted to the  
23 department for approval. Within the criteria, the department shall  
24 encourage the development of consortia among districts of less than  
25 5,000 memberships.

26 Sec. 61a. (1) From the appropriation in section 11, there is  
27 allocated an amount not to exceed \$31,027,600.00 each fiscal year ~~for~~  
28 ~~1998-99~~, for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR  
29 2002-2003 to reimburse on an added cost basis districts, except for a  
30 district that served as the fiscal agent for a vocational education

1 consortium in the 1993-94 school year, and secondary area  
2 vocational-technical education centers for secondary-level  
3 vocational-technical education programs, including parenthood  
4 education programs, according to rules approved by the superintendent.  
5 Applications for participation in the programs shall be submitted in  
6 the form prescribed by the department. The department shall determine  
7 the added cost for each vocational-technical program area. The  
8 allocation of added cost funds shall be based on the type of  
9 vocational-technical programs provided, the number of pupils enrolled,  
10 and the length of the training period provided, and shall not exceed  
11 75% of the added cost of any program. With the approval of the  
12 department, the board of a district maintaining a secondary  
13 vocational-technical education program may offer the program for the  
14 period from the close of the school year until September 1. The  
15 program shall use existing facilities and shall be operated as  
16 prescribed by rules promulgated by the superintendent.

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

26 (3) From the allocation in subsection (1), there is allocated an  
27 amount not to exceed ~~\$400,000.00~~ \$388,700.00 each fiscal year to  
28 intermediate districts with constituent districts that had combined  
29 state and local revenue per membership pupil in the 1994-95 state  
30 fiscal year of \$6,500.00 or more, served as a fiscal agent for a state

1 board designated area vocational education center in the 1993-94  
 2 school year, and had an adjustment made to their 1994-95 combined  
 3 state and local revenue per membership pupil pursuant to section 20d.  
 4 The payment under this subsection to the intermediate district shall  
 5 equal the amount of the allocation to the intermediate district for  
 6 1996-97 under this subsection.

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

8 (a) "Membership" ~~means for 1998-99 the total membership in 1997-98~~  
 9 ~~of the intermediate district and the districts constituent to the~~  
 10 ~~intermediate district or the total membership in 1997-98 of the area~~  
 11 ~~vocational-technical program;~~ means for 1999-2000 the total membership  
 12 in 1998-99 of the intermediate district and the districts constituent  
 13 to the intermediate district or the total membership in 1998-99 of the  
 14 area vocational-technical program; and means for 2000-2001 the total  
 15 membership in 1999-2000 of the intermediate district and the districts  
 16 constituent to the intermediate district or the total membership in  
 17 1999-2000 of the area vocational-technical program; MEANS FOR 2001-  
 18 2002 THE TOTAL MEMBERSHIP IN 2000-2001 OF THE INTERMEDIATE DISTRICT  
 19 AND THE DISTRICTS CONSTITUENT TO THE INTERMEDIATE DISTRICT OR THE  
 20 TOTAL MEMBERSHIP IN 2000-2001 OF THE AREA VOCATIONAL-TECHNICAL  
 21 PROGRAM; AND MEANS FOR 2002-2003 THE TOTAL MEMBERSHIP IN 2001-2002 OF  
 22 THE INTERMEDIATE DISTRICT AND THE DISTRICTS CONSTITUENT TO THE  
 23 INTERMEDIATE DISTRICT OR THE TOTAL MEMBERSHIP IN 2001-2002 OF THE AREA  
 24 VOCATIONAL-TECHNICAL PROGRAM.

25 (b) "Millage levied" means the millage levied for area  
 26 vocational-technical education pursuant to sections 681 to 690 of the  
 27 revised school code, MCL 380.681 to 380.690, including a levy for debt  
 28 service obligations incurred as the result of borrowing for capital  
 29 outlay projects and in meeting capital projects fund requirements of  
 30 area vocational-technical education.

1 (c) "Taxable value" means the total taxable value of the districts  
2 constituent to an intermediate district or area vocational-technical  
3 education program, except that if a district has elected not to come  
4 under sections 681 to 690 of the revised school code, MCL 380.681 to  
5 380.690, the membership and taxable value of that district shall not  
6 be included in the membership and taxable value of the intermediate  
7 district. However, beginning in 1998-99, the membership and taxable  
8 value of a district that has elected not to come under sections 681 to  
9 690 of the revised school code shall be included in the membership and  
10 taxable value of the intermediate district if the district meets both  
11 of the following:

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

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

19 (2) From the appropriation in section 11, there is allocated an  
20 amount not to exceed ~~\$9,650,000.00~~ \$9,970,000.00 ~~each fiscal year for~~  
21 ~~1998-99 and for 1999-2000, and an amount not to exceed \$10,250,000.00~~  
22 \$9,910,000.00 for 2000-2001, AND AN AMOUNT NOT TO EXCEED  
23 \$11,340,000.00 EACH FISCAL YEAR FOR 2001-2002 AND FOR 2002-2003, to  
24 reimburse intermediate districts and area vocational-technical  
25 education programs established under section 690(3) of the revised  
26 school code, MCL 380.690, levying millages for area  
27 vocational-technical education pursuant to sections 681 to 690 of the  
28 revised school code, MCL 380.681 to 380.690. The purpose, use, and  
29 expenditure of the reimbursement shall be limited as if the funds were  
30 generated by those millages.

1       ~~(3) Reimbursement for the millages levied in 1997-98 shall be made~~  
2 ~~in 1998-99 at an amount per 1997-98 membership pupil computed by~~  
3 ~~subtracting from \$104,400.00 the 1997-98 taxable value behind each~~  
4 ~~membership pupil, and multiplying the resulting difference by the~~  
5 ~~1997-98 millage levied.~~ Reimbursement for the millages levied in  
6 1998-99 shall be made in 1999-2000 at an amount per 1998-99 membership  
7 pupil computed by subtracting from \$108,800.00 the 1998-99 taxable  
8 value behind each membership pupil, and multiplying the resulting  
9 difference by the 1998-99 millage levied. Reimbursement for the  
10 millages levied in 1999-2000 shall be made in 2000-2001 at an amount  
11 per 1999-2000 membership pupil computed by subtracting from  
12 ~~\$113,400.00~~ \$113,600.00 the 1999-2000 taxable value behind each  
13 membership pupil, and multiplying the resulting difference by the  
14 1999-2000 millage levied. REIMBURSEMENT FOR THE MILLAGES LEVIED IN  
15 2000-2001 SHALL BE MADE IN 2001-2002 AT AN AMOUNT PER 2000-2001  
16 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$119,000.00 THE 2000-  
17 2001 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE  
18 DIFFERENCE BY THE 2000-2001 MILLAGE LEVIED. REIMBURSEMENT FOR THE  
19 MILLAGES LEVIED IN 2001-2002 SHALL BE MADE IN 2002-2003 AT AN AMOUNT  
20 PER 2001-2002 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM  
21 \$124,600.00 THE 2001-2002 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL  
22 AND MULTIPLYING THE DIFFERENCE BY THE 2001-2002 MILLAGE LEVIED.

23       (4) FROM THE ALLOCATION IN SUBSECTION (2), THERE IS ALLOCATED AN  
24 AMOUNT NOT TO EXCEED \$750,000.00 FOR 1999-2000, AN AMOUNT NOT TO  
25 EXCEED \$530,000.00 FOR 2000-2001, AND AN AMOUNT NOT TO EXCEED  
26 \$1,290,000.00 EACH FISCAL YEAR FOR 2001-2002 AND 2002-2003 FOR  
27 PAYMENTS TO INTERMEDIATE DISTRICTS UNDER THIS SUBSECTION THAT DO NOT  
28 QUALIFY FOR A PAYMENT UNDER SUBSECTION (3) FOR REIMBURSEMENT FOR  
29 CHANGES AS A RESULT OF REVISIONS TO THE PERSONAL PROPERTY TAX  
30 DEPRECIATION TABLES. THE ALLOCATION FOR 1999-2000 INCLUDES PAYMENTS

1 FOR PRIOR YEAR ADJUSTMENTS IN TAXABLE VALUE FOR CHANGES AS A RESULT OF  
2 REVISIONS TO THE PERSONAL PROPERTY TAX DEPRECIATION TABLES. TO  
3 RECEIVE A PAYMENT UNDER THIS SUBSECTION, AN INTERMEDIATE DISTRICT  
4 SHALL FILE A CLAIM BY JULY 1 OF THE FISCAL YEAR TO THE DEPARTMENT,  
5 DETAILING THE LOSS OF REVENUE TO THE INTERMEDIATE DISTRICT'S  
6 VOCATIONAL EDUCATION MILLAGE ATTRIBUTABLE TO THOSE REVISIONS. THE  
7 AMOUNT OF THE PAYMENT UNDER THIS SUBSECTION TO EACH INTERMEDIATE  
8 DISTRICT SHALL BE AN AMOUNT EQUAL TO THE SAME PROPORTION OF THE TOTAL  
9 AMOUNT OF FUNDING AVAILABLE UNDER THIS SUBSECTION AS THE INTERMEDIATE  
10 DISTRICT'S CLAIM UNDER THIS SECTION BEARS TO THE TOTAL AMOUNT OF  
11 CLAIMS UNDER THIS SUBSECTION AND, NOTWITHSTANDING SECTION 121, SHALL  
12 NOT BE ADJUSTED FOR PRIOR YEAR ADJUSTMENTS MORE THAN TWO YEARS AFTER  
13 THE END OF THE STATE FISCAL YEAR FOR WHICH PAYMENT UNDER THIS  
14 SUBSECTION WAS MADE.

15 Sec. 63. (1) From the GENERAL FUND appropriation in section 11,  
16 there is allocated an amount not to exceed \$1,800,000.00 each fiscal  
17 year for 1999-2000, ~~and~~ 2000-2001, 2001-2002, AND 2002-2003 for  
18 implementation of the Michigan manufacturing technology program for  
19 the 1999-2000, ~~and~~ 2000-2001, 2001-2002, AND 2002-2003 school years as  
20 provided under this section.

21 (2) From the allocation in subsection (1), there is allocated  
22 \$1,800,000.00 each fiscal year to the department, in conjunction with  
23 the department of career development, to award competitive grants for  
24 the purpose of improving manufacturing technology programs offered by  
25 public education agencies. The maximum amount of a grant under this  
26 subsection shall not exceed \$50,000.00 each fiscal year for each  
27 public education agency determined to be eligible for funding.

28 (3) Applications for grants under subsection (2) shall be  
29 submitted in a form and manner determined by the department, in  
30 conjunction with the department of career development. Criteria for

1 funding shall include all of the following:

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

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

10 (c) The public education agency agrees to evaluate the impact of  
11 the grant.

12 (d) Any other criteria determined by the department, in  
13 conjunction with the department of career development.

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

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

22 (6) Grants under subsection (2) shall be awarded by the department  
23 no later than May 31 before the beginning of each fiscal year and paid  
24 out to the grant recipients in total no later than October 10 of the  
25 fiscal year for which the grant is awarded. Funds may be used by  
26 grant recipients to support allowable expenditures in the following  
27 school year.

28 Sec. 67. (1) From the general fund appropriation in section 11,  
29 there is allocated an amount not to exceed \$350,000.00 each fiscal  
30 year ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND



1 FOR 2002-2003 for Michigan career preparation system grants under this  
2 section.

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

11 (3) From the allocation in subsection (1), there is allocated  
12 \$100,000.00 each fiscal year ~~for 1998-99,~~ for 1999-2000, ~~and for~~  
13 2000-2001, FOR 2001-2002, AND FOR 2002-2003 to the ~~council for career~~  
14 ~~preparation standards~~ DEPARTMENT to provide information to parents,  
15 pupils, school personnel, employers, and others regarding  
16 opportunities to receive integrated academic and technical preparation  
17 in the public schools of this state.

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

24 ~~(5) (4) From the allocation in subsection (1) for 1999-2000 and~~  
25 ~~2000-2001,~~ there is allocated \$100,000.00 each fiscal year for  
26 1999-2000, ~~and~~ 2000-2001, 2001-2002, AND 2002-2003 to the department  
27 ~~of career development~~ to provide technical assistance to eligible  
28 education agencies, AND local workforce development boards, ~~and the~~  
29 ~~council for career preparation standards.~~

30 ~~(6) (5) As used in this section and in section 68:~~

1 (a) "Advanced career academy" means a career ~~preparation~~ TECHNICAL  
 2 EDUCATION program operated by a district, by an intermediate district,  
 3 or by a public school academy, that applies for and receives advanced  
 4 career academy designation from the department. To receive this  
 5 designation, a career ~~preparation~~ TECHNICAL EDUCATION program shall  
 6 meet criteria established by the department, ~~in collaboration with the~~  
 7 ~~department of career development,~~ which criteria shall include at  
 8 least all of the following:

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

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

13 ~~(iii)~~ (ii) Involvement of employers in the design and  
 14 implementation of career ~~preparation~~ TECHNICAL EDUCATION programs.

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

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

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

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

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

29 ~~(d)~~ (E) "Eligible education agency" means a district, intermediate  
 30 district, or advanced career academy that ~~provides~~ IS PART OF A career

1 preparation ~~programs~~ SYSTEM either directly or under a contract with a  
 2 postsecondary institution or an employer as part of an approved  
 3 regional career preparation plan.

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

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

11 (H) "STRATEGIC PLAN" MEANS A DEPARTMENT-APPROVED COMPREHENSIVE  
 12 PLAN PREPARED BY THE WORKFORCE DEVELOPMENT BOARD WITH INPUT FROM LOCAL  
 13 REPRESENTATIVES INCLUDING THE EDUCATION ADVISORY GROUP THAT INCLUDES  
 14 CAREER PREPARATION SYSTEM GOALS AND OBJECTIVES FOR THE REGION.

15 Sec. 68. (1) From the general fund appropriation in section 11,  
 16 there is allocated an amount not to exceed \$23,850,000.00 each fiscal  
 17 year ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND  
 18 FOR 2002-2003 to be used to implement the Michigan career preparation  
 19 system in the ~~1998-99 and~~ 1999-2000, ~~and~~ 2000-2001, 2001-2002, AND  
 20 2002-2003 school years as provided under this section. From this  
 21 allocation, the department may reserve an amount not to exceed  
 22 \$2,000,000.00 each fiscal year for career ~~preparation~~ TECHNICAL  
 23 EDUCATION programs that have achieved designation as an advanced  
 24 career academy. In order to receive funds under this section, an  
 25 eligible education agency shall be part of an approved regional career  
 26 preparation plan under subsection (2) and shall agree to expend the  
 27 funds required under this section in accordance with the regional  
 28 career preparation plan. Funds awarded under this section that are  
 29 not expended in accordance with this section may be recovered by the  
 30 department.

1 (2) In order to receive funding under this section, an eligible  
2 education agency shall be a part of an approved 3-year regional career  
3 preparation plan THAT IS CONSISTENT WITH THE LOCAL WORKFORCE BOARD'S  
4 STRATEGIC PLAN AND as described in this subsection. All of the  
5 following apply to a regional career preparation plan:

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

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

29 (c) By majority vote, the education advisory group may nominate 1  
30 education representative, who may or may not be a member of the

1 education advisory group, for appointment to the local workforce  
2 development board. This education representative shall be in addition  
3 to existing education representation on the local workforce  
4 development board. This education representative shall meet all local  
5 workforce development board membership requirements.

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

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

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

13 (iii) Identification of integrated academic and technical  
14 curriculum, including related professional development training for  
15 teachers.

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

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

20 (vi) Identification of all federal, state, local, and private  
21 sources of funding available for career preparation ~~programs~~  
22 ACTIVITIES in the region.

23 (e) The education advisory group shall develop a 3-year regional  
24 career preparation plan CONSISTENT WITH THE LOCAL WORKFORCE BOARD  
25 REGION STRATEGIC PLAN and submit the plan to the department for final  
26 approval. The submission to the department shall also include  
27 statements signed by the chair of the education advisory group and the  
28 chair of the local workforce development board certifying that the  
29 plan has been reviewed by each entity. Upon department approval, all  
30 eligible education agencies designated in the regional career

1 preparation plan as part of the career preparation delivery system are  
2 eligible for funding under this section.

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

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

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

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

25 (ii) Curriculum development, including integration of academic and  
26 technical content, and professional development for teachers directly  
27 related to career preparation.

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

29 (iv) Supplies and materials directly related to career preparation  
30 programs.

1 (v) Work-based learning expenses for pupils, teachers, and  
2 counselors.

3 (vi) Evaluation, including career competency testing and peer  
4 review.

5 (vii) Career placement services.

6 (viii) Student leadership organizations integral to the career  
7 preparation system.

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

11 (c) ~~The~~ FOR 1999-2000 AND 2000-2001, THE department shall  
12 calculate career preparation costs per FTE for each career cluster,  
13 including career exploration, guidance, and counseling, by dividing  
14 the allowable costs for each career cluster by the prior year FTE  
15 enrollment for each career cluster. Distribution to eligible  
16 education agencies shall be the product of 50% of career preparation  
17 costs per FTE times the current year FTE enrollment of each career  
18 cluster. This allocation shall be distributed to eligible education  
19 agencies in decreasing order of the career cluster ranking described  
20 in subdivision (a) until the money allocated for grant recipients in  
21 this section is distributed. BEGINNING IN 2001-2002, FUNDS SHALL BE  
22 DISTRIBUTED TO ELIGIBLE EDUCATION AGENCIES ACCORDING TO WORKFORCE  
23 DEVELOPMENT BOARD GEOGRAPHIC AREA BASED UPON THE PROPORTION OF EACH  
24 WORKFORCE DEVELOPMENT BOARD AREA'S K-12 PUBLIC SCHOOL ENROLLMENT TO  
25 THE TOTAL STATE K-12 PUBLIC SCHOOL ENROLLMENT. ~~However, beginning in~~  
26 ~~1999-2000, an individual career preparation program shall not be~~  
27 ~~funded under this section, regardless of career cluster ranking, if it~~  
28 ~~does not attain compliance with career competency standards set by the~~  
29 ~~council for career preparation standards for the particular career~~  
30 ~~cluster.~~

1       (4) The department, ~~in collaboration with the department of career~~  
 2 ~~development,~~ shall establish a review procedure for assessing the  
 3 career preparation system in each region. ~~Each local workforce~~  
 4 ~~development board shall establish regional peer review committees that~~  
 5 ~~include employers, educators, labor representatives, parents, and~~  
 6 ~~representatives of the local workforce development board nominated by~~  
 7 ~~the local workforce development board and the education advisory~~  
 8 ~~group. All of the following apply to peer review committees:~~

9       ~~(a)~~ (5) ~~Peer review committees~~ EDUCATION ADVISORY GROUPS are  
 10 responsible for assuring the quality of the career preparation system.  
 11 ~~A peer review committee~~ EDUCATION ADVISORY GROUPS shall review THE  
 12 career preparation ~~programs to ensure compliance with career~~  
 13 ~~competency standards as well as other program evaluation criteria~~  
 14 SYSTEM IN ACCORDANCE WITH EVALUATION CRITERIA ESTABLISHED BY THE  
 15 DEPARTMENT.

16       ~~(b)~~ (6) ~~A peer review committee~~ EDUCATION ADVISORY GROUPS shall  
 17 report its findings and recommendations for changes to the  
 18 PARTICIPATING eligible education ~~agency operating the career~~  
 19 ~~preparation program~~ AGENCIES, the local workforce development board,  
 20 the education advisory group responsible for revising the regional  
 21 ~~career preparation plan,~~ and the department.

22       ~~(c)~~ (7) The next revision of a regional career preparation plan  
 23 shall take into account the findings of ~~a peer review committee~~ THE  
 24 EDUCATION ADVISORY GROUPS IN ACCORDANCE WITH EVALUATION CRITERIA  
 25 ESTABLISHED BY THE DEPARTMENT in order for the affected education  
 26 agencies to receive continued funding under this section.

27       Sec. 74. (1) From the amount appropriated in section 11, there is  
 28 allocated an amount not to exceed \$1,625,000.00 each fiscal year ~~for~~  
 29 ~~1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR  
 30 2002-2003 for the purposes of subsections (2) and (3).



1 (2) From the allocation in subsection (1), there is allocated each  
 2 fiscal year the amount necessary for payments to state supported  
 3 colleges or universities and intermediate districts providing school  
 4 bus driver safety instruction or driver skills road tests pursuant to  
 5 section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851.  
 6 The payments shall be in an amount determined by the department not to  
 7 exceed 75% of the actual cost of instruction and driver compensation  
 8 for each public or nonpublic school bus driver attending a course of  
 9 instruction. For the purpose of computing compensation, the hourly  
 10 rate allowed each school bus driver shall not exceed the hourly rate  
 11 received for driving a school bus. Reimbursement compensating the  
 12 driver during the course of instruction or driver skills road tests  
 13 shall be made by the department to the college or university or  
 14 intermediate district providing the course of instruction.

15 (3) From the allocation in subsection (1), there is allocated each  
 16 fiscal year the amount necessary to pay the reasonable costs of  
 17 nonspecial education auxiliary services transportation provided  
 18 pursuant to section 1323 of the revised school code, MCL 380.1323.  
 19 Districts funded under this subsection shall not receive funding under  
 20 any other section of this act for nonspecial education auxiliary  
 21 services transportation.

22 Sec. 81. (1) Except as otherwise provided in this section, from  
 23 the appropriation in section 11, there is allocated each fiscal year  
 24 ~~for 1998-99, and~~ for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND  
 25 FOR 2002-2003 to the intermediate districts the sum necessary, but ~~not~~  
 26 ~~to exceed \$79,850,000.00 for 1998-99,~~ not to exceed \$83,203,700.00 for  
 27 1999-2000, ~~and~~ not to exceed ~~\$85,616,600.00~~ \$86,115,800.00 for  
 28 2000-2001, NOT TO EXCEED \$89,129,900.00 FOR 2001-2002, AND NOT TO  
 29 EXCEED \$92,249,400.00 FOR 2002-2003 to provide state aid to  
 30 intermediate districts under this section. ~~Except as otherwise~~

1 ~~provided in this section, there shall be allocated to each~~  
2 ~~intermediate district for 1998-99 an amount equal to the amount of~~  
3 ~~funding actually received by the intermediate district under this~~  
4 ~~subsection in 1997-98.~~ Except as otherwise provided in this section,  
5 there shall be allocated to each intermediate district for 1999-2000  
6 an amount equal to 104.2% of the amount of funding actually received  
7 by the intermediate district under this subsection for 1998-99.

8 Except as otherwise provided in this section, there shall be allocated  
9 to each intermediate district for 2000-2001 an amount equal to ~~102.9%~~  
10 103.5% of the amount of funding actually received by the intermediate  
11 district under this subsection for 1999-2000. EXCEPT AS OTHERWISE  
12 PROVIDED IN THIS SECTION, THERE SHALL BE ALLOCATED TO EACH  
13 INTERMEDIATE DISTRICT FOR 2001-2002 AN AMOUNT EQUAL TO 103.5% OF THE  
14 AMOUNT OF FUNDING ACTUALLY RECEIVED BY THE INTERMEDIATE DISTRICT UNDER  
15 THIS SUBSECTION FOR 2000-2001. EXCEPT AS OTHERWISE PROVIDED IN THIS  
16 SECTION, THERE SHALL BE ALLOCATED TO EACH INTERMEDIATE DISTRICT FOR  
17 2002-2003 AN AMOUNT EQUAL TO 103.5% OF THE AMOUNT OF FUNDING ACTUALLY  
18 RECEIVED BY THE INTERMEDIATE DISTRICT UNDER THIS SUBSECTION FOR 2001-  
19 2002. Funding provided under this section shall be used to comply  
20 with requirements of this act and the revised school code that are  
21 applicable to intermediate districts, and for which funding is not  
22 provided elsewhere in this act, and to provide technical assistance to  
23 districts as authorized by the intermediate school board.

24 (2) From the allocation in subsection (1), there is allocated to  
25 an intermediate district, formed by the consolidation or annexation of  
26 2 or more intermediate districts or the attachment of a total  
27 intermediate district to another intermediate school district or the  
28 annexation of all of the constituent K-12 districts of a previously  
29 existing intermediate school district which has disorganized, an  
30 additional allotment of \$3,500.00 each fiscal year for each

1 intermediate district included in the new intermediate district for 3  
2 years following consolidation, annexation, or attachment.

3 (3) If an intermediate district participated in 1993-94 in a  
4 consortium operating a regional educational media center under section  
5 671 of the revised school code, MCL 380.671, and rules promulgated by  
6 the superintendent, and if the intermediate district obtains written  
7 consent from each of the other intermediate districts that  
8 participated in the consortium in 1993-94, the intermediate district  
9 may notify the department not later than December 30 of the current  
10 fiscal year that it is electing to directly receive its payment  
11 attributable to participation in that consortium. An intermediate  
12 district making that election, and that has obtained the necessary  
13 consent, shall receive each fiscal year ~~for 1998-99~~, for 1999-2000,  
14 ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003, as applicable,  
15 for each pupil in membership in the intermediate district or a  
16 constituent district an amount equal to the quotient of the 1993-94  
17 allocation to the fiscal agent for that consortium under former  
18 section 83, adjusted as determined by the department to account for  
19 that election, divided by the combined total membership for the  
20 current fiscal year in all of the intermediate districts that  
21 participated in that consortium and their constituent districts. The  
22 amount allocated to an intermediate district under this subsection for  
23 a fiscal year shall be deducted from the total allocation for that  
24 fiscal year under this section to the intermediate district that was  
25 the 1993-94 fiscal agent for the consortium.

26 (4) During a fiscal year, the department shall not increase an  
27 intermediate district's allocation under subsection (1) because of an  
28 adjustment made by the department during the fiscal year in the  
29 intermediate district's taxable value for a prior year. Instead, the  
30 department shall report the adjustment and the estimated amount of the

1 increase to the house and senate fiscal agencies and the state budget  
2 director not later than June 1 of the fiscal year, and the legislature  
3 shall appropriate money for the adjustment in the next succeeding  
4 fiscal year. ~~Accordingly, from the appropriation in section 11, there~~  
5 ~~is allocated for 1998-99 only an amount not to exceed \$62,000.00 for~~  
6 ~~payments to intermediate districts for adjustments in taxable value~~  
7 ~~described in this subsection.~~

8 (5) From the appropriation in section 11, there is allocated an  
9 amount not to exceed ~~\$300,000.00 each fiscal year~~ \$390,000.00 for  
10 ~~1998-99 and 1999-2000, and an amount not to exceed \$500,000.00~~  
11 \$360,000.00 for 2000-2001, AN AMOUNT NOT TO EXCEED \$860,000.00 FOR  
12 2001-2002, AND AN AMOUNT NOT TO EXCEED \$940,000.00 FOR 2002-2003 for  
13 payments to intermediate districts under this subsection for  
14 reimbursement for changes as a result of revisions to the personal  
15 property tax depreciation tables. To receive a payment under this  
16 subsection, an intermediate district shall file a claim by July 1 of  
17 the fiscal year to the department, detailing the loss of revenue to  
18 the intermediate district's operational millage attributable to those  
19 revisions. The amount of the payment under this subsection to each  
20 intermediate district shall be an amount equal to the same proportion  
21 of the total amount of funding available under this subsection as the  
22 intermediate district's claim under this subsection bears to the total  
23 amount of the claims under this subsection AND, NOTWITHSTANDING  
24 SECTION 121, SHALL NOT BE ADJUSTED FOR PRIOR YEAR ADJUSTMENTS MORE  
25 THAN TWO YEARS AFTER THE END OF THE STATE FISCAL YEAR FOR WHICH  
26 PAYMENT UNDER THIS SUBSECTION WAS MADE.

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

1       Sec. 91b. If a district allows a nonresident pupil to enroll in  
2 the district, the district shall continue to allow that pupil to  
3 enroll in the district until the pupil graduates from high school OR  
4 UNTIL THE DISTRICT IS NO LONGER PARTICIPATING IN SCHOOLS OF CHOICE  
5 UNDER SECTION 105 OR SECTION 105C, WHICHEVER OCCURS FIRST.

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

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

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

26       (2) THE GOALS OF EPIC SHALL BE TO IMPROVE THE QUALITY AND QUANTITY  
27 OF EDUCATIONAL DATA AVAILABLE TO TEACHERS, SCHOOL ADMINISTRATORS,  
28 PARENTS, TAXPAYERS, AND OTHERS.

29       (3) FUNDS NOT EXPENDED IN THE STATE FISCAL YEAR IN WHICH THEY WERE  
30 ALLOCATED MAY BE CARRIED FORWARD TO A SUBSEQUENT STATE FISCAL YEAR.

1       Sec. 99. (1) From the state school aid fund appropriation in  
2 section 11, there is allocated ~~an amount not to exceed \$7,293,100.00~~  
3 ~~for 1998-99,~~ and an amount not to exceed \$7,904,900.00 each fiscal  
4 year for 1999-2000, ~~and~~ 2000-2001, FOR 2001-2002, AND FOR 2002-2003,  
5 and from the general fund appropriation in section 11 there is  
6 allocated an amount not to exceed \$400,000.00 each fiscal year for  
7 ~~1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR  
8 2002-2003 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, and consistent with the master plan described in  
13 subsection (1), an established mathematics and science center shall  
14 address 2 or more of the following 6 basic services, as described in  
15 the master plan, to constituent districts and communities: leadership,  
16 pupil services, curriculum support, community involvement,  
17 professional development, and resource clearinghouse services.

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

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

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

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

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

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

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

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

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

29 (8) Not later than June 30, 2000, the department shall reevaluate  
30 and update the comprehensive master plan described in subsection (1),

1 including any recommendations for upgrading satellite extensions to  
2 full centers.

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



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

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

24 (3) Each district shall provide at least 180 days of pupil  
25 instruction and the required minimum number of hours of pupil  
26 instruction under section 1284 of the revised school code, MCL  
27 380.1284. Except as otherwise provided in this act, a district  
28 failing to hold 180 days of pupil instruction shall forfeit from its  
29 total state aid allocation for each day of failure an amount equal to  
30 1/180 of its total state aid allocation. Except as otherwise provided

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

24 (4) The first 2 days for which pupil instruction is not provided  
25 because of conditions not within the control of school authorities,  
26 such as severe storms, fires, epidemics, or health conditions as  
27 defined by the city, county, or state health authorities, shall be  
28 counted as days of pupil instruction. ~~In addition, for 1998-99 only,~~  
29 ~~the department shall count as days of pupil instruction not more than~~  
30 ~~2 additional days, and shall count as hours of pupil instruction not~~

1 ~~more than 16.5 hours, for which pupil instruction was not provided in~~  
2 ~~a district after June 7, 1999 due to water damage resulting from a~~  
3 ~~water main break.~~ Subsequent such days shall not be counted as days  
4 of pupil instruction.

5 (5) A district shall not forfeit part of its state aid  
6 appropriation because it adopts or has in existence an alternative  
7 scheduling program for pupils in kindergarten if the program provides  
8 at least the number of hours required for a full-time equated  
9 membership for a pupil in kindergarten as provided under section 6(4).

10 (6) Upon application by the district for a particular fiscal year,  
11 the superintendent may waive the minimum number of days of pupil  
12 instruction requirement of subsection (3) for a district if the  
13 district has adopted an experimental school year schedule in 1 or more  
14 buildings in the district if the experimental school year schedule  
15 provides the required minimum number of hours of pupil instruction or  
16 more and is consistent with all state board policies on school  
17 improvement and restructuring. If a district applies for and receives  
18 a waiver under this subsection and complies with the terms of the  
19 waiver, for the fiscal year covered by the waiver the district is not  
20 subject to forfeiture under this section of part of its state aid  
21 allocation for the specific building or program covered by the waiver.

22 (7) Not later than April 15 of each fiscal year, the board of each  
23 district shall certify to the department the planned number of days  
24 and hours of pupil instruction in the district for the school year  
25 ending in the fiscal year. In addition to any other penalty or  
26 forfeiture under this section, if at any time the department  
27 determines that 1 or more of the following has occurred in a district,  
28 the district shall forfeit in the current fiscal year beginning in the  
29 next payment to be calculated by the department a proportion of the  
30 funds due to the district under this act that is equal to the

1 proportion below 180 days and the required minimum number of hours of  
2 pupil instruction, as specified in the following:

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

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

10 (8) In providing the minimum number of hours of pupil instruction  
11 required under section 1284 of the revised school code, MCL 380.1284,  
12 a district shall use the following guidelines, and a district shall  
13 maintain records to substantiate its compliance with the following  
14 guidelines:

15 (a) Except as otherwise provided in this subsection, a pupil must  
16 be scheduled for at least the required minimum number of hours of  
17 instruction, excluding study halls, or at least the sum of 90 hours  
18 plus the required minimum number of hours of instruction, including up  
19 to 2 study halls.

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

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

28 (d) If a pupil in grades 9 to 12 who is enrolled in a cooperative  
29 education program or a special education pupil cannot receive the  
30 required minimum number of hours of pupil instruction solely because

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

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

12 (10) Upon application by the district for a particular fiscal  
13 year, the superintendent may waive for a district the 180 days or  
14 minimum number of hours of pupil instruction requirement of subsection  
15 (3) for a department-approved alternative education program OR FOR A  
16 TEACHER TECHNOLOGY TRAINING PROGRAM AS DEFINED IN THE REVISED SCHOOL  
17 CODE. If a district applies for and receives a waiver under this  
18 subsection and complies with the terms of the waiver, for the fiscal  
19 year covered by the waiver the district is not subject to forfeiture  
20 under this section for the specific program covered by the waiver.

21 (11) BEGINNING IN THE 2000-2001 SCHOOL YEAR, AS USED IN THIS  
22 SECTION, "DAY OF PUPIL INSTRUCTION" MEANS A DAY ON WHICH AT LEAST 5.0  
23 HOURS OF PUPIL INSTRUCTION IS SCHEDULED AND PROVIDED. A QUARTER-DAY,  
24 HALF-DAY, OR OTHER FRACTIONAL DAY OF INSTRUCTION SHALL BE COUNTED AS  
25 THAT FRACTION AND IS CALCULATED BY DIVIDING THE NUMBER OF HOURS  
26 ACTUALLY PROVIDED BY 5. A DAY OF PUPIL INSTRUCTION SHALL NOT BE  
27 COUNTED AS MORE THAN ONE DAY OF PUPIL INSTRUCTION. A DISTRICT NOT  
28 MEETING THE MINIMUM NUMBER OF HOURS OF PUPIL INSTRUCTION IN A SCHOOL  
29 YEAR REQUIRED UNDER SECTION 1284 OF THE REVISED SCHOOL CODE, MCL  
30 380.1284, AND THE MINIMUM NUMBER OF DAYS OF PUPIL INSTRUCTION IN A

1 SCHOOL YEAR REQUIRED UNDER SECTION 1284 OF THE REVISED SCHOOL CODE,  
2 MCL 380.1284, IS SUBJECT TO THE PAYMENT ADJUSTMENT DESCRIBED IN  
3 SUBSECTION (3).

4 SEC. 101B. (1) THE SCHOOL CALENDAR TASK FORCE IS CREATED FOR THE  
5 PURPOSE OF STUDYING THE ISSUES SPECIFIED IN THIS SUBSECTION CONCERNING  
6 THE PUBLIC SCHOOL CALENDAR. NOT LATER THAN DECEMBER 31, 2001, THE  
7 TASK FORCE SHALL STUDY AND REPORT ITS FINDINGS TO THE LEGISLATURE, THE  
8 STATE BUDGET DIRECTOR, AND THE HOUSE AND SENATE FISCAL AGENCIES ON THE  
9 FOLLOWING ISSUES:

10 (A) THE ECONOMIC AND EDUCATIONAL IMPACT OF THE REQUIREMENT UNDER  
11 SECTION 1284B OF THE REVISED SCHOOL CODE, MCL 380.1284B, THAT THE  
12 PUBLIC SCHOOLS SHALL NOT BE IN SESSION ON THE FRIDAY BEFORE LABOR DAY.

13 (B) THE ECONOMIC AND EDUCATIONAL IMPACT OF A REQUIREMENT THAT ALL  
14 PUBLIC SCHOOLS BEGIN THE SCHOOL YEAR AFTER LABOR DAY.

15 (2) THE SCHOOL CALENDAR TASK FORCE SHALL CONSIST OF THE FOLLOWING  
16 7 MEMBERS, APPOINTED BY THE GOVERNOR:

17 (A) ONE MEMBER REPRESENTING SCHOOL BOARDS, APPOINTED FROM AMONG  
18 NOMINATIONS SUBMITTED BY THE MICHIGAN ASSOCIATION OF SCHOOL BOARDS.

19 (B) ONE MEMBER REPRESENTING PUBLIC SCHOOL ADMINISTRATORS,  
20 APPOINTED FROM AMONG NOMINATIONS SUBMITTED BY THE MICHIGAN ASSOCIATION  
21 OF SCHOOL ADMINISTRATORS.

22 (C) ONE MEMBER REPRESENTING THE TRAVEL MICHIGAN UNIT OF THE  
23 MICHIGAN STRATEGIC FUND, APPOINTED FROM AMONG NOMINATIONS SUBMITTED BY  
24 THE PRESIDENT OF THE MICHIGAN STRATEGIC FUND.

25 (D) ONE MEMBER REPRESENTING THE MICHIGAN TRAVEL COMMISSION,  
26 APPOINTED FROM AMONG NOMINATIONS SUBMITTED BY THE MICHIGAN TRAVEL  
27 COMMISSION.

28 (E) ONE MEMBER REPRESENTING THE GENERAL PUBLIC.

29 (F) ONE MEMBER WHO IS A K-12 TEACHER IN THIS STATE, APPOINTED FROM  
30 AMONG NOMINATIONS JOINTLY SUBMITTED BY THE MICHIGAN EDUCATION

1 ASSOCIATION AND THE MICHIGAN FEDERATION OF TEACHERS.

2 (G) ONE MEMBER WHO IS NOMINATED BY THE MICHIGAN CHAMBER OF  
3 COMMERCE.

4 (3) THE MEMBERS APPOINTED TO THE SCHOOL CALENDAR TASK FORCE SHALL  
5 BE APPOINTED NOT LATER THAN JULY 1, 2000.

6 (4) MEMBERS OF THE SCHOOL CALENDAR TASK FORCE SHALL SERVE UNTIL  
7 THE TASK FORCE FINDINGS ARE REPORTED AS REQUIRED UNDER SUBSECTION (1).

8 (5) IF A VACANCY OCCURS ON THE SCHOOL CALENDAR TASK FORCE, THE  
9 GOVERNOR SHALL APPOINT A REPLACEMENT IN THE SAME MANNER AS THE  
10 ORIGINAL APPOINTMENT.

11 (6) THE FIRST MEETING OF THE SCHOOL CALENDAR TASK FORCE SHALL BE  
12 CALLED BY THE GOVERNOR. AT THE FIRST MEETING, THE SCHOOL CALENDAR  
13 TASK FORCE SHALL ELECT FROM AMONG ITS MEMBERS A CHAIRPERSON AND OTHER  
14 OFFICERS AS IT CONSIDERS NECESSARY OR APPROPRIATE. AFTER THE FIRST  
15 MEETING, THE SCHOOL CALENDAR TASK FORCE SHALL MEET AT LEAST MONTHLY,  
16 OR MORE FREQUENTLY AT THE CALL OF THE CHAIRPERSON, OR IF REQUESTED BY  
17 3 OR MORE MEMBERS.

18 (7) A MAJORITY OF THE MEMBERS OF THE SCHOOL CALENDAR TASK FORCE  
19 CONSTITUTE A QUORUM FOR THE TRANSACTION OF BUSINESS AT A MEETING OF  
20 THE TASK FORCE. A MAJORITY OF THE MEMBERS PRESENT AND SERVING ARE  
21 REQUIRED FOR OFFICIAL ACTION OF THE TASK FORCE.

22 (8) THE BUSINESS THAT THE SCHOOL CALENDAR TASK FORCE MAY PERFORM  
23 SHALL BE CONDUCTED AT A PUBLIC MEETING HELD IN COMPLIANCE WITH THE  
24 OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275.

25 (9) A WRITING PREPARED, OWNED, USED, IN THE POSSESSION OF, OR  
26 RETAINED BY THE SCHOOL CALENDAR TASK FORCE IN THE PERFORMANCE OF AN  
27 OFFICIAL FUNCTION IS SUBJECT TO THE FREEDOM OF INFORMATION ACT, 1976  
28 PA 442, MCL 15231 TO 15.246.

29 (10) MEMBERS OF THE SCHOOL CALENDAR TASK FORCE SHALL SERVE WITHOUT  
30 COMPENSATION. HOWEVER, MEMBERS OF THE TASK FORCE MAY BE REIMBURSED IN

1 ACCORDANCE WITH DEPARTMENT OF MANAGEMENT AND BUDGET TRAVEL  
2 REIMBURSEMENT GUIDELINES FOR MILEAGE EXPENSES INCURRED IN THE  
3 PERFORMANCE OF THEIR OFFICIAL DUTIES AS MEMBERS OF THE TASK FORCE.

4 (11) THE DEPARTMENT AND THE MICHIGAN STRATEGIC FUND SHALL PROVIDE  
5 STAFFING AND OTHER RESOURCES FOR THE SCHOOL CALENDAR TASK FORCE AS  
6 REASONABLY REQUESTED BY THE TASK FORCE.

7 Sec. 102. (1) A district or intermediate district receiving money  
8 under this act shall not adopt or operate under a deficit budget, and  
9 a district or intermediate district shall not incur an operating  
10 deficit in a fund during a school fiscal year. A district or  
11 intermediate district having an existing deficit or which incurs a  
12 deficit shall not be allotted or paid a further sum under this act  
13 until the district or intermediate district submits to the department  
14 for approval a budget for the current school fiscal year and a plan to  
15 eliminate the district's or intermediate district's deficit not later  
16 than the end of the second school fiscal year after the deficit was  
17 incurred. Withheld state aid payments shall be released after the  
18 department approves the deficit reduction plan and ensures that the  
19 budget for the current school fiscal year is balanced.

20 (2) Not later than March 1 of each year, the department shall  
21 prepare a report of deficits incurred by districts and intermediate  
22 districts in the immediately preceding fiscal year and the progress  
23 made in reducing those deficits and submit the report to the standing  
24 committees of the legislature responsible for K-12 education  
25 legislation, the appropriations subcommittees of the legislature  
26 responsible for K-12 education appropriations, the house and senate  
27 fiscal agencies, the state treasurer, and the ~~department of management~~  
28 ~~and budget~~ STATE BUDGET DIRECTOR. The department shall also submit  
29 interim reports concerning district and intermediate district deficits  
30 as necessary.



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

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

8 (5) If a district or intermediate district is not able to comply  
9 with the provisions of this section, the district or intermediate  
10 district shall submit to the department a plan to eliminate its  
11 deficit. Upon approval of the plan submitted, the superintendent of  
12 public instruction may continue allotment and payment of funds under  
13 this act, extend the period of time in which a district or  
14 intermediate district has to eliminate its deficit, and set special  
15 conditions that the district or intermediate district must meet during  
16 the period of the extension.

17 (6) For the purposes of this section, a district or intermediate  
18 district is considered to have incurred an operating deficit if the  
19 district or intermediate district incurs any withholding of or  
20 financial penalty, other than a temporary delay, against any portion  
21 of its total state school aid allocation under this act.

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

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

1 assessment.

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

6 ~~(c) (B) The number of school days the pupil was in attendance at~~  
7 ~~school each school year during high school and the total number of~~  
8 ~~school days in session for each of those school years.~~

9 ~~(2) The department shall develop scaled scores for reporting~~  
10 ~~subject area assessment results for each of the subject areas under~~  
11 ~~this section. The superintendent shall establish 3 categories for~~  
12 ~~each subject area indicating basic competency, above average, and~~  
13 ~~outstanding, and shall establish the scaled score range required for~~  
14 ~~each category. The department shall design and distribute to~~  
15 ~~districts, intermediate districts, and nonpublic schools a simple and~~  
16 ~~concise document that describes these categories in each subject area~~  
17 ~~and indicates the scaled score ranges for each category in each~~  
18 ~~subject area. A district may award a high school diploma to a pupil~~  
19 ~~who successfully completes local district requirements established in~~  
20 ~~accordance with state law for high school graduation, regardless of~~  
21 ~~whether the pupil is eligible for any state endorsement.~~

22 ~~(3) The assessments administered for the purposes of this section~~  
23 ~~shall be administered to pupils during the last 30 school days of~~  
24 ~~grade 11. The department shall ensure that the assessments are scored~~  
25 ~~and the scores are returned to pupils, their parents or legal~~  
26 ~~guardians, and districts not later than the beginning of the pupil's~~  
27 ~~first semester of grade 12. Not later than fall 1999, the department~~  
28 ~~shall arrange for those portions of a pupil's assessment that cannot~~  
29 ~~be scored mechanically to be scored in Michigan by persons who are~~  
30 ~~Michigan teachers, retired Michigan teachers, or Michigan school~~

~~1 administrators and who have been trained in scoring the assessments.  
2 The returned scores shall indicate the pupil's scaled score for each  
3 subject area assessment, the range of scaled scores for each subject  
4 area, and the range of scaled scores required for each category  
5 established under subsection (2). In reporting the scores to pupils,  
6 parents, and schools, the department shall provide specific,  
7 meaningful, and timely feedback on the pupil's performance on the  
8 assessment.~~

~~9 (4) For each pupil who does not achieve state endorsement in 1 or  
10 more subject areas, the board of the district in which the pupil is  
11 enrolled shall provide that there be at least 1 meeting attended by at  
12 least the pupil and a member of the district's staff or a local or  
13 intermediate district consultant who is proficient in the measurement  
14 and evaluation of pupils. The district may provide the meeting as a  
15 group meeting for pupils in similar circumstances. If the pupil is a  
16 minor, the district shall invite and encourage the pupil's parent,  
17 legal guardian, or person in loco parentis to attend the meeting and  
18 shall mail a notice of the meeting to the pupil's parent, legal  
19 guardian, or person in loco parentis. The purpose of this meeting and  
20 any subsequent meeting under this subsection shall be to determine an  
21 educational program for the pupil designed to have the pupil achieve  
22 state endorsement in each subject area in which he or she did not  
23 achieve state endorsement. In addition, a district may provide for  
24 subsequent meetings with the pupil conducted by a high school  
25 counselor or teacher designated by the pupil's high school principal,  
26 and shall invite and encourage the pupil's parent, legal guardian, or  
27 person in loco parentis to attend the subsequent meetings. The  
28 district shall provide special programs for the pupil or develop a  
29 program using the educational programs regularly provided by the  
30 district unless the board of the district decides otherwise and~~

1 ~~publishes and explains its decision in a public justification report.~~

2       ~~(5)~~ (2) A pupil who wants to repeat an assessment administered  
3 under this section may repeat the assessment, without charge to the  
4 pupil, in the next school year or after graduation. An individual may  
5 repeat an assessment at any time the district administers an  
6 applicable assessment instrument or during a retesting period under  
7 subsection ~~(7)~~ (4).

8       ~~(6)~~ (3) The department shall ensure that the length of the  
9 assessments used for the purposes of this section and the combined  
10 total time necessary to administer all of the assessments, including  
11 social studies, are the shortest possible that will still maintain the  
12 degree of reliability and validity of the assessment results  
13 determined necessary by the department. The department shall ensure  
14 that the maximum total combined length of time that schools are  
15 required to set aside for administration of all of the assessments  
16 used for the purposes of this section, including social studies, does  
17 not exceed 8 hours. However, this subsection does not limit the  
18 amount of time that individuals may have to complete the assessments.

19       ~~(7)~~ (4) The department shall establish, schedule, and arrange  
20 periodic retesting periods throughout the year for individuals who  
21 desire to repeat an assessment under this section. The department  
22 shall coordinate the arrangements for administering the repeat  
23 assessments and shall ensure that the retesting is made available at  
24 least within each intermediate district and, to the extent possible,  
25 within each district.

26       ~~(8)~~ (5) A district shall provide accommodations to a pupil with  
27 disabilities for the assessments required under this section, as  
28 provided under section 504 of title V of the rehabilitation act of  
29 1973, Public Law 93-112, 29 U.S.C. 794; subtitle A of title II of the  
30 Americans with disabilities act of 1990, Public Law 101-336, 42 U.S.C.

1 12131 to 12134; and the implementing regulations for those statutes.

2 ~~(9)~~ (6) For the purposes of this section, the superintendent shall  
3 develop or select and approve assessment instruments to measure pupil  
4 performance in communications skills, mathematics, social studies, and  
5 science. The assessment instruments shall be based on the model core  
6 academic content standards objectives under section 1278 of the  
7 revised school code, MCL 380.1278.

8 ~~(10)~~ (7) Upon written request by the pupil's parent or legal  
9 guardian stating that the request is being made for the purpose of  
10 providing the pupil with an opportunity to qualify to take 1 or more  
11 postsecondary courses as an eligible student under the postsecondary  
12 enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, the board  
13 of a district shall allow a pupil who is in at least grade 10 to take  
14 an assessment administered under this section without charge at any  
15 time the district regularly administers the assessment or during a  
16 retesting period established under subsection ~~(7)~~ (4). A district is  
17 not required to include in an annual education report, or in any other  
18 report submitted to the department for accreditation purposes, results  
19 of assessments taken under this subsection by a pupil in grade 11 or  
20 lower until the results of that pupil's graduating class are otherwise  
21 reported.

22 ~~(11) All assessment instruments developed or selected and approved~~  
23 ~~by the state under any statute or rule for a purpose related to K to~~  
24 ~~12 education shall be objective-oriented and consistent with the model~~  
25 ~~core academic content standards objectives under section 1278 of the~~  
26 ~~revised school code, MCL 380.1278.~~

27 ~~(12) A person who has graduated from high school after 1996 and~~  
28 ~~who has not previously taken an assessment under this section may take~~  
29 ~~an assessment used for the purposes of this section, without charge to~~  
30 ~~the person, at the district from which he or she graduated from high~~

1 ~~school at any time that district administers the assessment or during~~  
2 ~~a retesting period scheduled under subsection (7) and have his or her~~  
3 ~~scaled score on the assessment included on his or her high school~~  
4 ~~transcript. If the person's scaled score on a subject area assessment~~  
5 ~~falls within the range required under subsection (2) for a category~~  
6 ~~established under subsection (2), the district shall also indicate on~~  
7 ~~the person's high school transcript that the person has achieved state~~  
8 ~~endorsement for that subject area.~~

9 ~~— (13) Not later than July 1 of each year until 2000, the department~~  
10 ~~shall submit a comprehensive report to the legislature and the state~~  
11 ~~budget director on the status of the assessment program under this~~  
12 ~~section. The report shall include at least all of the following:~~

13 ~~— (a) The annual pupil assessment data.~~

14 ~~— (b) A description of the feedback provided to pupils, parents, and~~  
15 ~~schools.~~

16 ~~— (c) A description of any significant alterations made in the~~  
17 ~~program during the period covered by the report.~~

18 ~~— (d) Any recommendations for legislative changes to the program.~~

19 ~~— (e) An update of the reports of the assessment advisory committees~~  
20 ~~of the state board.~~

21 ~~(14)~~ (8) A child who is a student in a nonpublic school or home  
22 school may take an assessment under this section. To take an  
23 assessment, a child who is a student in a home school shall contact  
24 the district in which the child resides, and that district shall  
25 administer the assessment, or the child may take the assessment at a  
26 nonpublic school if allowed by the nonpublic school. Upon request  
27 from a nonpublic school, the department shall supply assessments and  
28 the nonpublic school may administer the assessment.

29 ~~(15)~~ (9) The purpose of the assessment under this section is to  
30 assess pupil performance in mathematics, science, social studies, and

1 communication arts for the purpose of improving academic achievement  
2 and establishing a statewide standard of competency. The assessment  
3 under this section provides a common measure of data that will  
4 contribute to the improvement of Michigan schools' curriculum and  
5 instruction by encouraging alignment with Michigan's curriculum  
6 framework standards. These standards are based upon the expectations  
7 of what pupils should know and be able to do by the end of grade 11.

8 ~~(16)~~ (10) As used in this section:

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

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

12 (11) AS USED IN THIS SECTION, "DEPARTMENT" MEANS THE DEPARTMENT OF  
13 TREASURY.

14 Sec. 105b. ~~Notwithstanding section 105(21), if~~ IF an intermediate  
15 district is operating under an intermediate district pilot schools of  
16 choice program established under former section 91 or as described in  
17 section 91a, the intermediate district and its constituent districts  
18 are exempt from section 105.

19 Sec. 105c. (1) In order to avoid a penalty under this section, and  
20 in order to count a nonresident pupil residing in a ~~contiguous~~  
21 district located in another intermediate district in membership  
22 without the approval of the pupil's district of residence, a district  
23 shall comply with this section.

24 (2) Except as otherwise provided in this section, a district shall  
25 determine whether or not it will accept applications for enrollment by  
26 nonresident applicants residing in a ~~contiguous~~ district located in  
27 another intermediate district for the next school year. If the  
28 district determines to accept applications for enrollment of a number  
29 of nonresidents under this section, beyond those entitled to  
30 preference under this section, the district shall use the following

1 procedures for accepting applications from and enrolling nonresidents  
2 under this section:

3 (a) The district shall publish the grades, schools, and special  
4 programs, if any, for which enrollment may be available to, and for  
5 which applications will be accepted from, nonresident applicants  
6 residing in a ~~contiguous~~ district located in another intermediate  
7 district.

8 (b) If the district has a limited number of positions available  
9 for nonresidents residing in a ~~contiguous~~ district located in another  
10 intermediate district in a grade, school, or program, all of the  
11 following apply to accepting applications for and enrollment of  
12 nonresidents under this section in that grade, school, or program:

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

15 (A) Provide notice to the general public that applications will be  
16 taken for a 15-day period from nonresidents residing in a ~~contiguous~~  
17 district located in another intermediate district for enrollment in  
18 that grade, school, or program. The notice shall identify the 15-day  
19 period and the place and manner for submitting applications.

20 (B) During the application period under sub-subparagraph (A),  
21 accept applications from nonresidents residing in a ~~contiguous~~  
22 district located in another intermediate district for enrollment in  
23 that grade, school, or program.

24 (C) Within 15 days after the end of the application period under  
25 sub-subparagraph (A), using the procedures and preferences required  
26 under this section, determine which nonresident applicants will be  
27 allowed to enroll under this section in that grade, school, or  
28 program, using the random draw system required under subsection (12)  
29 as necessary, and notify the parent or legal guardian of each  
30 nonresident applicant of whether or not the applicant may enroll in



1 the district. The notification to parents or legal guardians of  
2 nonresident applicants accepted for enrollment under this section  
3 shall contain notification of the date by which the applicant must  
4 enroll in the district and procedures for enrollment.

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

16 (c) For a grade, school, or program that has an unlimited number  
17 of positions available for nonresidents residing in a ~~contiguous~~  
18 district located in another intermediate district, all of the  
19 following apply to enrollment of nonresidents in that grade, school,  
20 or program under this section:

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

30 (ii) Not later than the end of the first week of school, the

1 district shall notify the parent or legal guardian of each nonresident  
2 applicant who is accepted for enrollment under this section that the  
3 applicant has been accepted for enrollment in the grade, school, or  
4 program and of the date by which the applicant must enroll in the  
5 district and the procedures for enrollment.

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

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

20 (b) During the last 2 weeks of the first semester, the district  
21 shall accept applications from nonresidents residing in a ~~contiguous~~  
22 district located in another intermediate district for enrollment for  
23 the second semester in the available grades, schools, and programs.

24 (c) By the beginning of the second semester, using the procedures  
25 and preferences required under this section, the district shall  
26 determine which nonresident applicants will be allowed to enroll under  
27 this section in the district for the second semester and notify the  
28 parent or legal guardian of each nonresident applicant residing in a  
29 ~~contiguous~~ district located in another intermediate district of  
30 whether or not the applicant may enroll in the district. The

1 notification to parents or legal guardians of nonresident applicants  
2 accepted for enrollment shall contain notification of the date by  
3 which the applicant must enroll in the district and procedures for  
4 enrollment.

5 (4) If deadlines similar to those described in subsection (2) or  
6 (3) have been established in an intermediate district, and if those  
7 deadlines are not later than the deadlines under subsection  
8 (2) or (3), the districts within the intermediate district may use  
9 those deadlines.

10 (5) A district offering to enroll nonresident applicants residing  
11 in a ~~contiguous~~ district located in another intermediate district may  
12 limit the number of those nonresident pupils it accepts in a grade,  
13 school, or program, at its discretion, and may use that limit as the  
14 reason for refusal to enroll an applicant under this section.

15 (6) A nonresident applicant residing in a ~~contiguous~~ district  
16 located in another intermediate district shall not be granted or  
17 refused enrollment based on intellectual, academic, artistic, or other  
18 ability, talent, or accomplishment, or lack thereof, or based on a  
19 mental or physical disability, except that a district may refuse to  
20 admit a nonresident applicant under this section if the applicant does  
21 not meet the same criteria, other than residence, that an applicant  
22 who is a resident of the district must meet to be accepted for  
23 enrollment in a grade or a specialized, magnet, or intra-district  
24 choice school or program to which the applicant applies.

25 (7) A nonresident applicant residing in a ~~contiguous~~ district  
26 located in another intermediate district shall not be granted or  
27 refused enrollment under this section based on age, except that a  
28 district may refuse to admit a nonresident applicant applying for a  
29 program that is not appropriate for the age of the applicant.

30 (8) A nonresident applicant residing in a ~~contiguous~~ district

1 located in another intermediate district shall not be granted or  
2 refused enrollment under this section based upon religion, race,  
3 color, national origin, sex, height, weight, marital status, or  
4 athletic ability, or, generally, in violation of any state or federal  
5 law prohibiting discrimination.

6 (9) A district may refuse to enroll a nonresident applicant under  
7 this section if the applicant is, or has been within the preceding 2  
8 years, suspended from another school or if the applicant has ever been  
9 expelled from another school.

10 (10) A district shall give preference for enrollment over all  
11 other nonresident applicants residing in a ~~contiguous~~ district located  
12 in another intermediate district to pupils who were enrolled in and  
13 attended the district in the school year or semester immediately  
14 preceding the school year or semester in question and to other  
15 school-age children who reside in the same household as the pupil.

16 (11) If a nonresident pupil was enrolled in and attending school  
17 in a district as a nonresident pupil in the 1995-96 school year and  
18 continues to be enrolled continuously each school year in that  
19 district, the district shall allow that nonresident pupil to continue  
20 to enroll in and attend school in the district until high school  
21 graduation, without requiring the nonresident pupil to apply for  
22 enrollment under this section. This subsection does not prohibit a  
23 district from expelling a pupil described in this subsection for  
24 disciplinary reasons.

25 (12) If the number of qualified nonresident applicants eligible  
26 for acceptance under this section in a school, grade, or program does  
27 not exceed the positions available for nonresident pupils under this  
28 section in the school, grade, or program, the school district shall  
29 accept for enrollment all of the qualified nonresident applicants  
30 eligible for acceptance. If the number of qualified nonresident

1 applicants residing in a ~~contiguous~~ district located in another  
2 intermediate district eligible for acceptance under this section  
3 exceeds the positions available in a grade, school, or program in a  
4 district for nonresident pupils, the district shall use a random draw  
5 system, subject to the need to abide by state and federal  
6 antidiscrimination laws and court orders and subject to preferences  
7 allowed by this section. The district shall develop and maintain a  
8 waiting list based on the order in which nonresident applicants were  
9 drawn under this random draw system.

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

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

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

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

1 (17) In order for a district or intermediate district to enroll  
2 pursuant to this section a nonresident pupil who resides in a  
3 ~~contiguous~~ district located in another intermediate district and who  
4 is eligible for special education programs and services according to  
5 statute or rule, or who is a child with disabilities, as defined under  
6 the individuals with disabilities education act, title VI of Public  
7 Law 91-230, the enrolling district shall have a written agreement with  
8 the resident district of the pupil for the purpose of providing the  
9 pupil with a free appropriate public education. The written agreement  
10 shall include, but is not limited to, an agreement on the  
11 responsibility for the payment of the added costs of special education  
12 programs and services for the pupil.

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

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

19 (20) This section is repealed if the final decision of a court of  
20 competent jurisdiction holds that any portion of this section is  
21 unconstitutional, ineffective, invalid, or in violation of federal  
22 law.

23 ~~(21) As used in this section, "contiguous district located in~~  
24 ~~another intermediate district" means a district that is contiguous to~~  
25 ~~a pupil's district of residence but that is located in a different~~  
26 ~~intermediate district than the pupil's district of residence.~~

27 Sec. 107. (1) From the appropriation in section 11, there is  
28 allocated ~~for 1998-99, for 1999-2000, and for 2000-2001~~ ONLY an amount  
29 not to exceed \$80,000,000.00 ~~each fiscal year~~ for adult education  
30 programs authorized under this section.

1 (2) To be eligible to be a participant funded under this section,  
2 a person shall be enrolled in an adult basic education program, an  
3 adult English as a second language program, a general education  
4 development (G.E.D.) test preparation program, a job or employment  
5 related program, or a high school completion program, that meets the  
6 requirements of this section, and shall meet either of the following,  
7 as applicable:

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

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

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

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

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

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

23 (3) The amount allocated under subsection (1) shall be distributed  
24 as follows:

25 (a) For districts and consortia that received payments for 1995-96  
26 under former section 107f and that received payments for 1996-97 under  
27 subsection (4) of this section as in effect in 1996-97, the amount  
28 allocated to each for ~~1998-99~~, for 1999-2000, ~~and for 2000-2001~~ shall  
29 be an amount each fiscal year equal to 36.76% of the amount the  
30 district or consortium received for 1995-96 under former section 107f.

1 (b) For districts and consortia that received payments under  
2 subsection (3) of this section as in effect for 1996-97, the amount  
3 allocated to each ~~for 1998-99~~, for 1999-2000, ~~and for 2000-2001~~ shall  
4 be an amount each fiscal year equal to the product of the number of  
5 full-time equated participants actually enrolled and in attendance  
6 during the 1996-97 school fiscal year in the program funded under  
7 subsection (3) of this section as in effect for 1996-97 as reported to  
8 the department, audited, and adjusted according to subsection (10) of  
9 this section as in effect for 1996-97, multiplied by \$2,750.00.

10 (c) For districts and consortia that meet the conditions of both  
11 subdivisions (a) and (b), the amount allocated ~~each fiscal year for~~  
12 ~~1998-99~~, for 1999-2000, ~~and for 2000-2001~~ shall be the sum of the  
13 allocations to the district or consortium under subdivisions (a) and  
14 (b).

15 (d) A district or consortium that received funding in 1996-97  
16 under this section as in effect for 1996-97 may operate independently  
17 of a consortium or join or form a consortium ~~for 1998-99~~, for  
18 1999-2000, ~~or for 2000-2001~~. The allocation ~~for 1998-99~~, for  
19 1999-2000, ~~or for 2000-2001~~ to the district or the newly formed  
20 consortium under this subsection shall be determined by the department  
21 and shall be based on the proportion of the amounts specified in  
22 subdivision (a) or (b), or both, that are attributable to the district  
23 or consortium that received funding in 1996-97. A district or  
24 consortium described in this subdivision shall notify the department  
25 of its intention with regard to ~~1998-99~~, 1999-2000, ~~or 2000-2001~~ by  
26 October 1 of the affected fiscal year.

27 (4) A district that operated an adult education program in 1996-97  
28 and does not intend to operate a program in ~~1998-99~~, 1999-2000, ~~or~~  
29 ~~2000-2001~~ shall notify the department by October 1 of the affected  
30 fiscal year of its intention. The funds intended to be allocated



1 under this section to a district that does not operate a program in  
2 ~~1998-99~~, 1999-2000, ~~or 2000-2001~~ and the unspent funds originally  
3 allocated under this section to a district or consortium that  
4 subsequently operates a program at less than the level of funding  
5 allocated under subsection (3) shall instead be proportionately  
6 reallocated to the other districts described in subsection (3)(a) that  
7 are operating an adult education program in ~~1998-99~~, 1999-2000, ~~or~~  
8 ~~2000-2001~~ under this section.

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

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

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

19 (b) The program tests individuals for eligibility under  
20 subdivision (a) before enrollment and tests participants to determine  
21 progress after every 90 hours of attendance, using assessment  
22 instruments approved by the department.

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

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

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

29 (d) A funding recipient enrolling a participant in an English as a  
30 second language program is eligible for funding according to

1 subsection (10) until the participant meets 1 of the following:

2 (i) The participant is assessed as having attained basic English  
3 proficiency.

4 (ii) The participant fails to show progress on 2 successive  
5 assessments after having completed at least 450 hours of instruction.  
6 The department shall provide information to a funding recipient  
7 regarding appropriate assessment instruments for this program.

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

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

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

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

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

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

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

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

30 (b) A funding recipient shall receive funding according to

1 subsection (10) for a participant in a course offered under this  
2 subsection until 1 of the following occurs:

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

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

8 (9) A job or employment-related adult education program operated  
9 on a year-round or school year basis may be funded under this section,  
10 subject to all of the following:

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

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

19 (i) The individual achieves the requisite skills as determined by  
20 appropriate assessment instruments administered at least after every  
21 90 hours of attendance.

22 (ii) The individual fails to show progress on 2 successive  
23 assessments after having completed at least 450 hours of instruction.  
24 The department shall provide information to a funding recipient  
25 regarding appropriate assessment instruments for this program.

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

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

29 (b) Ten percent for completion of the adult basic education  
30 objectives by achieving an increase of at least 1 grade level of

1 proficiency in reading or mathematics; for achieving basic English  
2 proficiency; for passage of the G.E.D. test; for passage of a course  
3 required for a participant to attain a high school diploma; or for  
4 completion of the course and demonstrated proficiency in the academic  
5 skills to be learned in the course, as applicable.

6 (11) As used in this section, "participant" means the sum of the  
7 number of full-time equated individuals enrolled in and attending a  
8 department-approved adult education program under this section, using  
9 quarterly participant count days on the schedule described in section  
10 6(7)(b).

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

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

21 (14) A district shall not commingle money received under this  
22 section or from another source for adult education purposes with any  
23 other funds of the district. A district receiving adult education  
24 funds shall establish a separate ledger account for those funds. This  
25 subsection does not prohibit a district from using general funds of  
26 the district to support an adult education or community education  
27 program.

28 (15) AS USED IN THIS SECTION, "DEPARTMENT" MEANS THE DEPARTMENT OF  
29 CAREER DEVELOPMENT.

30 SEC. 108A. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11,

1 THERE IS ALLOCATED FOR 2000-2001, 2001-2002, AND 2002-2003 AN AMOUNT  
2 NOT TO EXCEED \$100,000,000.00 EACH FISCAL YEAR FOR PARTNERSHIP FOR  
3 ADULT LEARNING PROGRAMS AUTHORIZED UNDER THIS SECTION.

4 (2) TO BE ELIGIBLE TO BE ENROLLED AS A PARTICIPANT IN A PROGRAM  
5 FUNDED UNDER THIS SECTION, A PERSON SHALL BE 16 YEARS OF AGE OR OLDER  
6 AS OF SEPTEMBER 1 OF THE IMMEDIATELY PRECEDING STATE FISCAL YEAR AND  
7 SHALL MEET THE FOLLOWING, AS APPLICABLE:

8 (A) IF THE INDIVIDUAL HAS OBTAINED A HIGH SCHOOL DIPLOMA OR A  
9 GENERAL EDUCATION DEVELOPMENT (G.E.D.) CERTIFICATE, THE INDIVIDUAL IS  
10 DETERMINED TO HAVE ENGLISH LANGUAGE PROFICIENCY, READING, WRITING, OR  
11 MATH SKILLS BELOW WORKFORCE READINESS STANDARDS AS DETERMINED BY  
12 DEPARTMENT-APPROVED TESTS AND IS NOT ENROLLED IN A POSTSECONDARY  
13 INSTITUTION.

14 (B) IF THE INDIVIDUAL HAS NOT OBTAINED A HIGH SCHOOL DIPLOMA OR A  
15 G.E.D. CERTIFICATE, THE INDIVIDUAL HAS NOT ATTENDED A SECONDARY  
16 INSTITUTION FOR AT LEAST SIX MONTHS PRIOR TO ENROLLMENT IN AN ADULT  
17 LEARNING PROGRAM AND IS NOT ENROLLED IN A POSTSECONDARY INSTITUTION.

18 AN INDIVIDUAL WHO HAS OBTAINED A HIGH SCHOOL DIPLOMA IS NOT  
19 ELIGIBLE FOR ENROLLMENT IN A G.E.D. TEST PREPARATION PROGRAM.

20 (3) FROM THE ALLOCATION UNDER SUBSECTION (1), AN AMOUNT NOT TO  
21 EXCEED \$99,000,000.00 IS ALLOCATED EACH FISCAL YEAR FOR 2000-2001, FOR  
22 2001-2002, AND FOR 2002-2003 TO LOCAL WORKFORCE DEVELOPMENT BOARDS FOR  
23 THE PURPOSE OF PROVIDING REGIONAL ADULT LEARNING PROGRAMS. AN  
24 APPLICATION FOR A GRANT UNDER THIS SUBSECTION SHALL BE IN THE FORM AND  
25 MANNER PRESCRIBED BY THE DEPARTMENT. SUBJECT TO SUBSECTION (4), THE  
26 AMOUNT ALLOCATED TO EACH LOCAL WORKFORCE DEVELOPMENT BOARD SHALL BE  
27 THE LESSER OF THE CALCULATION MADE UNDER (A) OR (B), EXCEPT THAT NO  
28 ELIGIBLE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL RECEIVE AN INITIAL  
29 ALLOCATION UNDER (A) OR (B) LESS THAN \$350,000.00.

30 (A) THE MAXIMUM AMOUNT OF A GRANT AWARDED TO AN ELIGIBLE LOCAL

1 WORKFORCE DEVELOPMENT BOARD SHALL BE THE SUM OF THE FOLLOWING  
2 COMPONENTS:

3 (I) THIRTY-FOUR PERCENT OF THE ALLOCATION UNDER THIS SUBSECTION  
4 MULTIPLIED BY THE PROPORTION OF THE FAMILY INDEPENDENCE AGENCY  
5 CASELOAD IN THE LOCAL WORKFORCE DEVELOPMENT BOARD REGION TO THE  
6 STATEWIDE FAMILY INDEPENDENCE AGENCY CASELOAD.

7 (II) THIRTY-THREE PERCENT OF THE ALLOCATION UNDER THIS SUBSECTION  
8 MULTIPLIED BY THE PROPORTION OF THE NUMBER OF PERSONS IN THE LOCAL  
9 WORKFORCE DEVELOPMENT BOARD REGION OVER AGE 17 WHO HAVE NOT RECEIVED A  
10 HIGH SCHOOL DIPLOMA COMPARED TO THE STATEWIDE TOTAL OF PERSONS OVER  
11 AGE 17 WHO HAVE NOT RECEIVED A HIGH SCHOOL DIPLOMA.

12 (III) THIRTY-THREE PERCENT OF THE ALLOCATION UNDER THIS SUBSECTION  
13 MULTIPLIED BY THE PROPORTION OF THE NUMBER OF PERSONS IN THE LOCAL  
14 WORKFORCE DEVELOPMENT BOARD REGION OVER AGE 17 FOR WHOM ENGLISH IS NOT  
15 A PRIMARY LANGUAGE COMPARED TO THE STATEWIDE TOTAL OF PERSONS OVER AGE  
16 17 FOR WHOM ENGLISH IS NOT A PRIMARY LANGUAGE.

17 (B) THE NEED FOR ADULT LEARNING PROGRAMS IN THE LOCAL WORKFORCE  
18 DEVELOPMENT BOARD REGION AS DOCUMENTED IN A MANNER APPROVED BY THE  
19 DEPARTMENT.

20 (C) NOT MORE THAN 9% OF A GRANT AWARDED TO A LOCAL WORKFORCE  
21 DEVELOPMENT BOARD MAY BE USED FOR PROGRAM ADMINISTRATION, INCLUDING  
22 THE CONTRACTING FOR PROVISION OF CAREER AND EDUCATIONAL INFORMATION,  
23 COUNSELING SERVICES, AND ASSESSMENT SERVICES.

24 (4) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A LOCAL  
25 WORKFORCE DEVELOPMENT BOARD SHALL COMPLY WITH THE FOLLOWING  
26 REQUIREMENTS IN A MANNER APPROVED BY THE DEPARTMENT:

27 (A) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL DOCUMENT THE NEED  
28 FOR ADULT LEARNING PROGRAMS IN THE LOCAL WORKFORCE DEVELOPMENT REGION.

29 (B) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL REPORT PARTICIPANT  
30 OUTCOMES AND OTHER MEASUREMENTS OF PROGRAM PERFORMANCE.

1 (C) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL DEVELOP A  
2 STRATEGIC PLAN THAT INCORPORATES ADULT LEARNING PROGRAMS IN THE  
3 REGION. BEGINNING IN 2001-2002, A LOCAL WORKFORCE DEVELOPMENT BOARD  
4 SHALL NOT QUALIFY FOR STATE FUNDS UNDER THIS SECTION WITHOUT A  
5 DEPARTMENT-APPROVED STRATEGIC PLAN.

6 (D) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL FURNISH TO THE  
7 DEPARTMENT, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, THE  
8 INFORMATION THE DEPARTMENT DETERMINES IS NECESSARY TO ADMINISTER THIS  
9 SECTION.

10 (E) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL ALLOW ACCESS FOR  
11 THE DEPARTMENT OR THE DEPARTMENT'S DESIGNEE TO AUDIT ALL RECORDS  
12 RELATED TO ADULT LEARNING PROGRAMS FOR WHICH IT RECEIVES FUNDS. THE  
13 LOCAL WORKFORCE DEVELOPMENT BOARD SHALL REIMBURSE THE STATE FOR ALL  
14 DISALLOWANCES FOUND IN THE AUDIT IN A MANNER DETERMINED BY THE  
15 DEPARTMENT.

16 (5) LOCAL WORKFORCE DEVELOPMENT BOARDS SHALL DISTRIBUTE FUNDS TO  
17 ELIGIBLE ADULT LEARNING PROVIDERS AS FOLLOWS:

18 (A) NOT LESS THAN 85% OF A GRANT AWARD SHALL BE USED TO SUPPORT  
19 PROGRAMS WHICH IMPROVE READING, WRITING, AND MATH SKILLS TO WORKFORCE  
20 READINESS STANDARDS; ENGLISH AS A SECOND LANGUAGE PROGRAMS; G.E.D.  
21 PREPARATION PROGRAMS; HIGH SCHOOL COMPLETION PROGRAMS; OR WORKFORCE  
22 READINESS PROGRAMS IN THE LOCAL WORKFORCE DEVELOPMENT BOARD REGION.  
23 THESE PROGRAMS MAY INCLUDE THE PROVISION OF CAREER AND EDUCATIONAL  
24 INFORMATION, COUNSELING SERVICES, AND ASSESSMENT SERVICES.

25 (B) UP TO 15% OF A GRANT AWARD MAY BE USED TO SUPPORT WORKFORCE  
26 READINESS PROGRAMS FOR EMPLOYERS IN THE LOCAL WORKFORCE DEVELOPMENT  
27 BOARD REGION AS APPROVED BY THE DEPARTMENT. EMPLOYERS OR CONSORTIA OF  
28 EMPLOYERS WHOSE EMPLOYEES PARTICIPATE IN THESE PROGRAMS MUST PROVIDE  
29 MATCHING FUNDS IN A RATIO OF AT LEAST ONE DOLLAR OF PRIVATE FUNDS FOR  
30 ONE DOLLAR OF STATE FUNDS.

1 (6) LOCAL WORKFORCE DEVELOPMENT BOARDS SHALL AWARD COMPETITIVE  
2 GRANTS TO ELIGIBLE ADULT LEARNING PROVIDERS FOR THE PURPOSE OF  
3 PROVIDING ADULT LEARNING PROGRAMS IN THE LOCAL WORKFORCE DEVELOPMENT  
4 BOARD REGION. APPLICATIONS SHALL BE IN A FORM AND MANNER DETERMINED  
5 BY THE DEPARTMENT. IN AWARDING GRANTS, LOCAL WORKFORCE DEVELOPMENT  
6 BOARDS SHALL CONSIDER ALL OF THE FOLLOWING:

7 (A) THE ABILITY OF THE PROVIDER TO ASSESS INDIVIDUALS BEFORE  
8 ENROLLMENT USING DEPARTMENT-APPROVED ASSESSMENT TOOLS AND TO DEVELOP  
9 INDIVIDUAL ADULT LEARNER PLANS FROM THOSE ASSESSMENTS FOR EACH  
10 PARTICIPANT.

11 (B) THE ABILITY OF THE PROVIDER TO CONDUCT CONTINUING ASSESSMENTS  
12 IN A MANNER APPROVED BY THE DEPARTMENT TO DETERMINE PARTICIPANT  
13 PROGRESS TOWARD ACHIEVING THE GOALS ESTABLISHED IN INDIVIDUAL ADULT  
14 LEARNER PLANS.

15 (C) THE PAST EFFECTIVENESS OF AN ELIGIBLE PROVIDER IN IMPROVING  
16 ADULT LITERACY SKILLS AND, BEGINNING IN 2001-2002, THE SUCCESS OF AN  
17 ELIGIBLE PROVIDER IN MEETING OR EXCEEDING DEPARTMENT-APPROVED  
18 PERFORMANCE MEASURES.

19 (D) WHETHER THE PROGRAM IS OF SUFFICIENT INTENSITY AND DURATION  
20 FOR PARTICIPANTS TO ACHIEVE SUBSTANTIAL LEARNING GAINS.

21 (E) WHETHER THE PROGRAM USES RESEARCH-BASED INSTRUCTIONAL  
22 PRACTICES THAT HAVE PROVEN TO BE EFFECTIVE IN TEACHING ADULT LEARNERS.

23 (F) WHETHER THE PROGRAM USES ADVANCES IN TECHNOLOGY, AS  
24 APPROPRIATE, INCLUDING COMPUTERS.

25 (G) WHETHER THE PROGRAMS ARE STAFFED BY WELL-TRAINED TEACHERS,  
26 COUNSELORS, AND ADMINISTRATORS.

27 (H) WHETHER THE ACTIVITIES COORDINATE WITH OTHER AVAILABLE  
28 RESOURCES IN THE COMMUNITY, SUCH AS SCHOOLS, POSTSECONDARY  
29 INSTITUTIONS, JOB TRAINING PROGRAMS, AND SOCIAL SERVICE AGENCIES.

30 (I) WHETHER THE PROVIDER OFFERS FLEXIBLE SCHEDULES AND SUPPORT



1 SERVICES, SUCH AS CHILD CARE AND TRANSPORTATION, THAT ENABLE  
2 PARTICIPANTS, INCLUDING INDIVIDUALS WITH DISABILITIES OR OTHER SPECIAL  
3 NEEDS, TO ATTEND AND COMPLETE PROGRAMS.

4 (J) WHETHER THE PROVIDER OFFERS ADEQUATE JOB AND POSTSECONDARY  
5 EDUCATION COUNSELING SERVICES.

6 (K) WHETHER THE PROVIDER CAN MAINTAIN AN INFORMATION MANAGEMENT  
7 SYSTEM THAT HAS THE CAPACITY TO REPORT PARTICIPANT OUTCOMES AND  
8 MONITOR PROGRAM PERFORMANCE AGAINST DEPARTMENT-APPROVED PERFORMANCE  
9 MEASURES.

10 (L) WHETHER THE PROVIDER WILL ALLOW ACCESS FOR THE LOCAL WORKFORCE  
11 DEVELOPMENT BOARD OR ITS DESIGNEE TO AUDIT ALL RECORDS RELATED TO  
12 ADULT LEARNING PROGRAMS FOR WHICH IT RECEIVES FUNDS. THE ADULT  
13 LEARNING PROVIDER SHALL REIMBURSE THE LOCAL WORKFORCE DEVELOPMENT  
14 BOARD FOR ALL DISALLOWANCES FOUND IN THE AUDIT.

15 (M) THE COST PER PARTICIPANT CONTACT HOUR OR UNIT OF MEASURABLE  
16 OUTCOME FOR EACH TYPE OF ADULT LEARNING PROGRAM FOR WHICH THE PROVIDER  
17 IS APPLYING.

18 (N) BEGINNING IN 2001-2002, CONTRACTS AWARDED BY LOCAL WORKFORCE  
19 DEVELOPMENT BOARDS SHALL COMPLY WITH THE PRIORITIES ESTABLISHED IN A  
20 DEPARTMENT-APPROVED STRATEGIC PLAN.

21 (7) ADULT LEARNING PROVIDERS THAT DO NOT AGREE WITH THE DECISIONS  
22 OF THE LOCAL WORKFORCE DEVELOPMENT BOARD IN ISSUING OR ADMINISTERING  
23 COMPETITIVE GRANTS MAY FOLLOW THE GRIEVANCE PROCEDURE ESTABLISHED BY  
24 THE DEPARTMENT.

25 (8) LOCAL WORKFORCE DEVELOPMENT BOARDS SHALL REIMBURSE ELIGIBLE  
26 PROVIDERS OF ADULT LEARNING PROGRAMS UNDER THIS SECTION AS FOLLOWS:

27 (A) FOR A FIRST-TIME PROVIDER:

28 (I) 50% OF THE CONTRACT AMOUNT SHALL BE ALLOCATED TO ELIGIBLE  
29 ADULT LEARNING PROVIDERS BASED UPON ENROLLMENT OF PARTICIPANTS IN  
30 ADULT LEARNING PROGRAMS. "ENROLLMENT" MEANS A PARTICIPANT ENROLLED IN

1 THE PROGRAM WHO RECEIVED A PRE-ENROLLMENT ASSESSMENT USING DEPARTMENT-  
2 APPROVED ASSESSMENT TOOLS AND FOR WHOM AN INDIVIDUAL ADULT LEARNER  
3 PLAN HAS BEEN DEVELOPED .

4 (II) 50% OF THE CONTRACT AMOUNT SHALL BE ALLOCATED TO ELIGIBLE  
5 ADULT LEARNING PROVIDERS BASED UPON THE FOLLOWING PERFORMANCE  
6 STANDARDS AS MEASURED IN A DEPARTMENT-APPROVED MANNER :

7 (A) THE PERCENTAGE OF PARTICIPANTS TAKING BOTH A PRE-TEST AND A  
8 POST-TEST IN ENGLISH LANGUAGE PROFICIENCY, READING, WRITING AND MATH.

9 (B) THE PERCENTAGE OF PARTICIPANTS SHOWING IMPROVEMENT TOWARD  
10 GOALS IDENTIFIED IN THEIR INDIVIDUAL ADULT LEARNER PLAN.

11 (C) THE PERCENTAGE OF PARTICIPANTS ACHIEVING THEIR TERMINAL GOALS  
12 AS IDENTIFIED IN THEIR INDIVIDUAL ADULT LEARNER PLAN.

13 (B) BEGINNING IN 2001-2002, ELIGIBLE PROVIDERS THAT HAVE PROVIDED  
14 ADULT LEARNING PROGRAMS PREVIOUSLY UNDER THIS SECTION SHALL BE  
15 REIMBURSED 100% OF THE CONTRACT AMOUNT BASED UPON THE PERFORMANCE  
16 STANDARDS IN SUBSECTION (8)(A)(II) AS MEASURED IN A MANNER DETERMINED  
17 BY THE DEPARTMENT.

18 (C) A PROVIDER IS ELIGIBLE FOR REIMBURSEMENT FOR A PARTICIPANT IN  
19 AN ADULT LEARNING PROGRAM UNTIL THE PARTICIPANT'S READING, WRITING,  
20 AND/OR MATH PROFICIENCY ARE ASSESSED AT WORKFORCE READINESS LEVELS OR  
21 THE PARTICIPANT FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE ASSESSMENTS AS  
22 DETERMINED BY THE DEPARTMENT.

23 (D) A PROVIDER IS ELIGIBLE FOR REIMBURSEMENT FOR A PARTICIPANT IN  
24 AN ENGLISH AS A SECOND LANGUAGE PROGRAM UNTIL THE PARTICIPANT IS  
25 ASSESSED AS HAVING ATTAINED BASIC ENGLISH PROFICIENCY OR THE  
26 PARTICIPANT FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE ASSESSMENTS AS  
27 DETERMINED BY THE DEPARTMENT.

28 (E) A PROVIDER IS ELIGIBLE FOR REIMBURSEMENT FOR A PARTICIPANT IN  
29 A G.E.D. TEST PREPARATION PROGRAM UNTIL THE PARTICIPANT PASSES THE  
30 G.E.D. TEST OR THE PARTICIPANT FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE

1 ASSESSMENTS AS DETERMINED BY THE DEPARTMENT.

2 (F) A PROVIDER IS ELIGIBLE FOR REIMBURSEMENT FOR A PARTICIPANT IN  
3 A HIGH SCHOOL COMPLETION PROGRAM UNTIL THE PARTICIPANT EARNS A HIGH  
4 SCHOOL DIPLOMA OR THE PARTICIPANT FAILS TO SHOW PROGRESS AS DETERMINED  
5 BY THE DEPARTMENT.

6 (9) A PERSON WHO IS NOT ELIGIBLE TO BE A PARTICIPANT FUNDED UNDER  
7 THIS SECTION MAY RECEIVE ADULT LEARNING SERVICES UPON THE PAYMENT OF  
8 TUITION OR FEES FOR SERVICE. THE TUITION OR FEE LEVEL SHALL BE  
9 DETERMINED BY THE ADULT LEARNING PROVIDER AND APPROVED BY THE LOCAL  
10 WORKFORCE DEVELOPMENT BOARD.

11 (10) ADULT LEARNING PROVIDERS MAY COLLECT REFUNDABLE DEPOSITS FROM  
12 PARTICIPANTS FOR THE USE OF REUSABLE EQUIPMENT AND SUPPLIES AND MAY  
13 PROVIDE INCENTIVES FOR PROGRAM COMPLETION.

14 (11) A PROVIDER SHALL NOT BE REIMBURSED FOR AN INDIVIDUAL WHO IS  
15 AN INMATE IN A STATE CORRECTIONAL FACILITY.

16 (12) IN ORDER TO ADMINISTER MICHIGAN'S PARTNERSHIP FOR ADULT  
17 LEARNING SYSTEM, THE DEPARTMENT SHALL DO THE FOLLOWING:

18 (A) DEVELOP AND PROVIDE GUIDELINES TO LOCAL WORKFORCE DEVELOPMENT  
19 BOARDS FOR THE DEVELOPMENT OF STRATEGIC PLANS THAT INCORPORATE ADULT  
20 LEARNING.

21 (B) DEVELOP AND PROVIDE ADULT LEARNING MINIMUM PROGRAM PERFORMANCE  
22 STANDARDS TO BE IMPLEMENTED BY LOCAL WORKFORCE DEVELOPMENT BOARDS.

23 (C) IDENTIFY APPROVED ASSESSMENT TOOLS FOR ASSESSING A  
24 PARTICIPANT'S ENGLISH LANGUAGE PROFICIENCY, READING, MATH AND WRITING  
25 SKILLS.

26 (D) APPROVE WORKFORCE READINESS STANDARDS FOR ENGLISH LANGUAGE  
27 PROFICIENCY, READING, MATH, AND WRITING SKILLS THAT CAN BE MEASURED BY  
28 DEPARTMENT-APPROVED, NATIONALLY-RECOGNIZED ASSESSMENT TOOLS.

29 (13) OF THE AMOUNT ALLOCATED IN SUBSECTION (1), UP TO  
30 \$1,000,000.00 IS ALLOCATED TO THE DEPARTMENT FOR THE DEVELOPMENT AND

1 ADMINISTRATION OF A STANDARDIZED DATA COLLECTION SYSTEM. BEGINNING IN  
2 2001-2002, LOCAL WORKFORCE DEVELOPMENT BOARDS AND ADULT LEARNING  
3 PROVIDERS RECEIVING FUNDING UNDER THIS SECTION SHALL USE THE  
4 STANDARDIZED DATA COLLECTION SYSTEM FOR ENROLLING PARTICIPANTS IN  
5 ADULT LEARNING PROGRAMS, TRACKING PARTICIPANT PROGRESS, REPORTING  
6 PARTICIPANT OUTCOMES, AND REPORTING OTHER PERFORMANCE MEASURES.

7 (14) AS USED IN THIS SECTION:

8 (A) "ADULT LEARNING PROGRAMS" MEANS DEPARTMENT-APPROVED PROGRAMS  
9 THAT IMPROVE READING, WRITING, AND MATH SKILLS TO WORKFORCE READINESS  
10 STANDARDS; ENGLISH AS A SECOND LANGUAGE PROGRAMS; G.E.D. PREPARATION  
11 PROGRAMS; HIGH SCHOOL COMPLETION PROGRAMS; AND WORKFORCE READINESS  
12 PROGRAMS THAT ENHANCE EMPLOYMENT OPPORTUNITIES.

13 (B) "DEPARTMENT" MEANS THE DEPARTMENT OF CAREER DEVELOPMENT.

14 (C) "ELIGIBLE ADULT LEARNING PROVIDER" MEANS A DISTRICT, PUBLIC  
15 SCHOOL ACADEMY, INTERMEDIATE DISTRICT, COMMUNITY COLLEGE, UNIVERSITY,  
16 COMMUNITY-BASED ORGANIZATION, OR OTHER ORGANIZATION APPROVED BY THE  
17 DEPARTMENT THAT PROVIDES ADULT LEARNING PROGRAMS UNDER A CONTRACT WITH  
18 A LOCAL WORKFORCE DEVELOPMENT BOARD.

19 (D) "PARTICIPANT" MEANS AN INDIVIDUAL ENROLLED IN AN ADULT  
20 LEARNING PROGRAM AND RECEIVING SERVICES FROM AN ELIGIBLE ADULT  
21 LEARNING PROVIDER.

22 (E) "STRATEGIC PLAN" MEANS A DEPARTMENT-APPROVED DOCUMENT THAT  
23 INCORPORATES ADULT LEARNING GOALS AND OBJECTIVES FOR THE LOCAL  
24 WORKFORCE DEVELOPMENT BOARD REGION AND IS DEVELOPED JOINTLY BY THE  
25 BOARD AND THE EDUCATION ADVISORY GROUPS.

26 (F) "WORKFORCE DEVELOPMENT BOARD" MEANS A LOCAL WORKFORCE  
27 DEVELOPMENT BOARD ESTABLISHED PURSUANT TO THE JOB TRAINING PARTNERSHIP  
28 ACT, PUBLIC LAW 97-300, 96 STAT. 1322, AND THE SCHOOL-TO-WORK  
29 OPPORTUNITIES ACT OF 1994, PUBLIC LAW 103-239, 108 STAT. 568, OR THE  
30 EQUIVALENT.

1 (G) "WORKFORCE READINESS STANDARD" MEANS A DEPARTMENT-APPROVED  
2 LEVEL OF ENGLISH LANGUAGE, READING, WRITING, OR MATHEMATICS  
3 PROFICIENCY, OR ANY AND ALL OF THE ABOVE, AS DETERMINED BY RESULTS  
4 FROM ASSESSMENTS APPROVED FOR USE BY THE DEPARTMENT.

5 Sec. 147. (1) The allocations ~~for 1998-99, 1999-2000, and~~  
6 2000-2001, 2001-2002, AND 2002-2003 for the public school employees'  
7 retirement system pursuant to the public school employees retirement  
8 act of 1979, 1980 PA 300, MCL 38.1301 to 38.1467, shall be made using  
9 the entry age normal cost actuarial method and risk assumptions  
10 adopted by the public school employees retirement board and the  
11 department of management and budget. Effective October 1, ~~1998~~ 1999,  
12 ~~the annual level percentage of payroll contribution rate for the~~  
13 ~~1998-99 state fiscal year is estimated at 11.12%,~~ the annual level  
14 percentage of payroll contribution rate for the 1999-2000 state fiscal  
15 year is estimated at 11.66%, ~~and the annual level percentage of~~  
16 ~~payroll contribution rate for the 2000-2001 state fiscal year is~~  
17 ~~estimated at 11.66%.~~ The portion of the contribution rate assigned to  
18 districts and intermediate districts ~~for 1998-99, 1999-2000, and~~  
19 ~~2000-2001~~ EACH STATE FISCAL YEAR is all of the total percentage  
20 points. This contribution rate reflects an amortization period of ~~38~~  
21 ~~years for 1998-99,~~ 37 years for 1999-2000, ~~and~~ 36 years for 2000-2001,  
22 35 YEARS FOR 2001-2002, AND 34 YEARS FOR 2002-2003. The public school  
23 employees' retirement system board shall notify each district and  
24 intermediate district by February 28 of each fiscal year of the  
25 estimated contribution rate for the next fiscal year.

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

1       Sec. 151.(1) The treasurer of each county shall furnish to the  
2 department, on or before August 1 of each year following the receipt  
3 of assessment rolls, a statement of the taxable value of each district  
4 and fraction of a district within the county, using forms furnished by  
5 the department. On or before May 1 of each year, the treasurer of  
6 each county shall submit to the department revisions to the taxable  
7 value for the immediately preceding year of each district and fraction  
8 of a district within the county, using forms furnished by the  
9 department. On or before October 1 of each year, the treasurer of  
10 each county shall submit to the department revisions to the taxable  
11 value for the ~~2 immediately preceding years~~ YEARS SUBSEQUENT TO 1993  
12 of each district and fraction of a district within the county, using  
13 forms furnished by the department. The reports required by this  
14 subsection shall also contain the amount of ad valorem taxable value  
15 captured for school operating taxes under a tax increment financing  
16 plan under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment  
17 finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the  
18 local development financing act, 1986 PA 281, MCL 125.2151 to  
19 125.2174, or the brownfield redevelopment financing act, 1996 PA 381,  
20 MCL 125.2651 to 125.2672.

21       (2) Not later than the tenth day of each month, the tax tribunal  
22 created by the tax tribunal act, 1973 PA 186, MCL 205.701 to 205.779,  
23 shall report to the department the changes in taxable value for tax  
24 years after 1993 that are not reported to the department under  
25 subsection (1) and that are caused by tax tribunal decisions in the  
26 immediately preceding month for homestead and qualified agricultural  
27 property, as defined in section 1211 of the revised school code, MCL  
28 380.1211, and for property that is not homestead or qualified  
29 agricultural property, in each district and intermediate district.  
30 The report shall also contain the amount of taxable value captured

1 under a tax increment financing plan described in subsection (1) for  
2 school operating tax purposes.

3       Sec. 152. Except for reports due on other dates specified in this  
4 act, each district and intermediate district shall furnish to the  
5 department before the first Monday in November of each year those  
6 reports the department considers necessary for the determination of  
7 the allocation of funds under this act. In order to receive funds  
8 under this act, each district and intermediate district shall also  
9 furnish to the department the information the department considers  
10 necessary for the administration of this act, INCLUDING INFORMATION  
11 NECESSARY TO DETERMINE COMPLIANCE WITH THE PROVISIONS OF ARTICLE 16,  
12 and for the provision of reports of educational progress to the senate  
13 and house committees responsible for education, the senate and house  
14 appropriations subcommittees responsible for appropriations to school  
15 districts, the senate and house fiscal agencies, and the ~~department of~~  
16 ~~management and budget~~ STATE BUDGET DIRECTOR, as appropriate.

17       Sec. 163. (1) Except as provided in the revised school code, the  
18 board of a district or intermediate district shall not permit ~~any of~~  
19 ~~the following:~~

20       ~~(a) A noncertificated teacher to teach in an elementary or~~  
21 ~~secondary school. or in an adult basic education or high school~~  
22 ~~completion program.~~

23       ~~(b) A noncertificated counselor to provide counseling services to~~  
24 ~~pupils in an elementary or secondary school or in an adult basic~~  
25 ~~education or high school completion program.~~

26       (2) Except as provided in the revised school code, a district or  
27 intermediate district employing teachers ~~or counselors~~ not legally  
28 certificated shall have deducted the sum equal to the amount paid the  
29 teachers ~~or counselors~~ for the period of noncertificated or illegal  
30 employment. Each intermediate superintendent shall notify the

1 department of the name of the noncertificated teacher ~~or counselor,~~  
2 and the district employing that individual and the amount of salary  
3 the noncertificated teacher ~~or counselor~~ was paid within a constituent  
4 district.

5 (3) If a school official is notified by the department that he or  
6 she is employing a nonapproved noncertificated teacher ~~or counselor~~ in  
7 violation of this section and knowingly continues to employ that  
8 teacher ~~or counselor~~, the school official is guilty of a misdemeanor,  
9 punishable by a fine of \$1,500.00 for each incidence.

10 Enacting section 1. In accordance with section 30 of article IX of  
11 the state constitution of 1963, total state spending in this  
12 amendatory act and in 1999 PA 119, 1998 PA 553, and 1998 PA 339 from  
13 state sources for fiscal year 1999-2000 is estimated at  
14 \$9,957,608,600.00 and state appropriations to be paid to local units  
15 of government for fiscal year 1999-2000 are estimated at  
16 \$9,929,255,800.00; total state spending in this amendatory act and in  
17 1999 PA 119 from state sources for fiscal year 2000-2001 is estimated  
18 at \$10,440,074,200.00 and state appropriations to be paid to local  
19 units of government for fiscal year 2000-2001 are estimated at  
20 \$10,304,599,200.00; total state spending in this amendatory act from  
21 state sources for fiscal year 2001-2002 is estimated at  
22 \$10,845,344,400.00 and state appropriations to be paid to local units  
23 of government for fiscal year 2001-2002 are estimated at  
24 \$10,704,677,500.00; and total state spending in this amendatory act  
25 from state sources for fiscal year 2002-2003 is estimated at  
26 \$11,353,124,100.00 and state appropriations to be paid to local units  
27 of government for fiscal year 2002-2003 are estimated at  
28 \$11,207,249,800.00.

29 Enacting section 2. Sections 20b, 107, 164c, 166d and 169a of the  
30 state school aid act of 1979, 1979 PA 94, MCL 388.1620b, 388.1707,



1 388.1764c, 388.1766d, and 388.1769a are repealed effective October 1,  
2 2000.

Final page.