

**SUBSTITUTE FOR
SENATE BILL NO. 1044**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 6, 8, 11, 11f, 11g, 19, 20, 20j, 21b, 24,
26a, 31a, 31c, 31d, 32, 36, 36a, 39, 40, 41, 51a, 53a, 54, 56,
57, 61a, 62, 63, 67, 68, 74, 81, 91c, 94, 99, 101, 102, 104a,
105, 105b, 105c, 107, 147, 151, 152, and 163 (MCL 388.1603,
388.1606, 388.1608, 388.1611, 388.1611f, 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, 388.1639,
388.1640, 388.1641, 388.1651a, 388.1653a, 388.1654, 388.1656,
388.1657, 388.1661a, 388.1662, 388.1663, 388.1667, 388.1668,
388.1674, 388.1681, 388.1691c, 388.1694, 388.1699, 388.1701,
388.1702, 388.1704a, 388.1705, 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, 94, 99, 101, 104a, 105, 107, and 147 as amended and sections 20j, 31d, 32, and 105c as added by 1999 PA 119, sections 3 and 151 as amended by 1997 PA 93, sections 8 and 39 as amended by 1997 PA 142, sections 19, 21b, 102, and 163 as amended by 1996 PA 300, section 40 as amended by 1991 PA 118, section 91c as added by 1995 PA 130, section 105b as added by 1997 PA 24, and section 152 as amended by 1993 PA 175, and by adding sections 20l, 22a, 22b, 22c, 51c, 94a, 101b, and 108; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

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

15 (5) "District" means a local school district established
16 under the revised school code, a local act school district, or,

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1 except in sections 6(4), 6(6), 13, 20, 22A, 23, 31a, ~~and~~ 32,
2 105, AND 105C, a public school academy. Except in sections 6(4),
3 6(6), 13, 20, ~~and~~ 22A, 105, AND 105C, district also includes a
4 university school.

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

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

21 Sec. 6. (1) "Center program" means a program operated by a
22 district or intermediate district for special education pupils
23 from several districts in programs for the autistically impaired,
24 trainable mentally impaired, severely mentally impaired, severely
25 multiply impaired, hearing impaired, physically and otherwise
26 health impaired, and visually impaired. Programs for emotionally
27 impaired pupils housed in buildings that do not serve regular

1 education pupils also qualify. Unless otherwise approved by the
2 department, a center program either shall serve all constituent
3 districts within an intermediate district or shall serve several
4 districts with less than 50% of the pupils residing in the oper-
5 ating district. In addition, special education center program
6 pupils placed part-time in noncenter programs to comply with the
7 least restrictive environment provisions of section 612 of part B
8 of the individuals with disabilities education act, title VI of
9 Public Law 91-230, 20 U.S.C. 1412, may be considered center pro-
10 gram pupils for pupil accounting purposes for the time scheduled
11 in either a center program or a noncenter program.

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

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

26 (4) "Membership", except as otherwise provided in this act,
27 means for ~~1998-99 for a district, public school academy,~~

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1 ~~university school, or intermediate district the sum of the~~
2 ~~product of .6 times the number of full-time equated pupils in~~
3 ~~grades K to 12 actually enrolled and in regular daily attendance~~
4 ~~on the pupil membership count day for the current school year,~~
5 ~~plus the product of .4 times the final audited count from the~~
6 ~~supplemental count day for the immediately preceding school~~
7 ~~year. For 1999-2000, membership means 1999-2000 for a district,~~
8 ~~public school academy, university school, or intermediate dis-~~
9 ~~trict the sum of the product of .75 times the number of full-time~~
10 ~~equated pupils in grades K to 12 actually enrolled and in regular~~
11 ~~daily attendance on the pupil membership count day for the cur-~~
12 ~~rent school year, plus the product of .25 times the final audited~~
13 ~~count from the supplemental count day for the immediately preced-~~
14 ~~ing school year. For BEGINNING IN 2000-2001, membership means~~
15 ~~for a district, public school academy, university school, or~~
16 ~~intermediate district the sum of the product of .8 times the~~
17 ~~number of full-time equated pupils in grades K to 12 actually~~
18 ~~enrolled and in regular daily attendance on the pupil membership~~
19 ~~count day for the current school year, plus the product of .2~~
20 ~~times the final audited count from the supplemental count day for~~
21 ~~the immediately preceding school year. All pupil counts used in~~
22 ~~this subsection are as determined by the department and calcu-~~
23 ~~lated by adding the number of pupils registered for attendance~~
24 ~~plus pupils received by transfer and minus pupils lost as defined~~
25 ~~by rules promulgated by the superintendent, and as corrected by a~~
26 ~~subsequent department audit. The amount of the foundation~~
27 ~~allowance for a pupil in membership is determined under section~~

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1 20. In making the calculation of membership, all of the
2 following, as applicable, apply to determining the membership of
3 a district, public school academy, university school, or interme-
4 diate district:

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

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

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

25 (d) A pupil placed by a court or state agency in an
26 on-grounds program of a juvenile detention facility, a child
27 caring institution, or a mental health institution, or a pupil

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1 funded under section 53a, shall be counted in membership in the
2 district or intermediate district approved by the department to
3 operate the program.

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

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

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

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

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

21 (i) If operations begin before the pupil membership count
22 day for the fiscal year, membership is the average number of
23 full-time equated pupils in grades K to 12 actually enrolled and
24 in regular daily attendance on the pupil membership count day for
25 the current school year and on the supplemental count day for the
26 current school year, as determined by the department and
27 calculated by adding the number of pupils registered for

1 attendance on the pupil membership count day plus pupils received
2 by transfer and minus pupils lost as defined by rules promulgated
3 by the superintendent, and as corrected by a subsequent depart-
4 ment audit, plus the final audited count from the supplemental
5 count day for the current school year, and dividing that sum by
6 2.

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

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

22 (k) In a district, public school academy, university school,
23 or intermediate district operating an extended school year pro-
24 gram approved by the superintendent, a pupil enrolled, but not
25 scheduled to be in regular daily attendance on a pupil membership
26 count day, shall be counted.

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

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

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

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

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

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

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

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

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

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

24 (S) ~~(t)~~ For a district, university school, or public
25 school academy that has pupils enrolled in a grade level that was
26 not offered by the district, university school, or public school
27 academy in the immediately preceding school year, the number of

1 pupils enrolled in that grade level to be counted in membership
2 is the average of the number of those pupils enrolled and in reg-
3 ular daily attendance on the pupil membership count day and the
4 supplemental count day of the current school year, as determined
5 by the department. Membership shall be calculated by adding the
6 number of pupils registered for attendance in that grade level on
7 the pupil membership count day plus pupils received by transfer
8 and minus pupils lost as defined by rules promulgated by the
9 superintendent, and as corrected by subsequent department audit,
10 plus the final audited count from the supplemental count day for
11 the current school year, and dividing that sum by 2.

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

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

1 this subdivision, a district shall be considered to be providing
2 appropriate instruction if all of the following are met:

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

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

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

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

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

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

25 (X) ~~-(y)-~~ For 1999-2000, for a public school academy that
26 has been in operation for at least 2 years and that suspended
27 operations for at least 1 semester and is resuming operations,

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

20 (5) "Public school academy" means a public school academy or
21 strict discipline academy operating under the revised school
22 code.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 a resident on the pupil membership count day of the same school
2 year.

3 (j) A pupil enrolled in an alternative education program
4 operated by a district other than his or her district of
5 residence. However, this subdivision does not apply until legis-
6 lation is enacted to specify the policies for its implementation
7 including the types of alternative education programs affected.

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

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

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

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

22 (i) Fourth Wednesday in July.

23 (ii) Fourth Wednesday in September.

24 (iii) Second Wednesday in February.

25 (iv) Fourth Wednesday in April.

26 (8) "Pupils in grades K to 12 actually enrolled and in
27 regular daily attendance" means pupils in grades K to 12 in

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

22 (9) "Rule" means a rule promulgated pursuant to the adminis-
23 trative procedures act of 1969, 1969 PA 306, MCL 24.201 to
24 24.328.

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

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

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

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

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

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

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

21 (17) "Taxable value" means the taxable value of property as
22 determined under section 27a of the general property tax act,
23 1893 PA 206, MCL 211.27a.

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

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

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

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

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

1 relating to education the sum of ~~\$9,590,537,700.00~~
2 \$9,515,245,100.00 from the state school aid fund established by
3 section 11 of article IX of the state constitution of 1963 and,
4 SUBJECT TO SUBSECTION (2), the sum of \$420,613,500.00 from the
5 general fund. For the fiscal year ending September 30, 2001,
6 there is appropriated for the public schools of this state and
7 certain other state purposes relating to education the sum of
8 ~~\$10,033,634,700.00~~ \$10,189,744,900.00 from the state school aid
9 fund established by section 11 of article IX of the state consti-
10 tution of 1963 and, SUBJECT TO SUBSECTION (2), the sum of
11 \$420,613,500.00 from the general fund. FOR THE FISCAL YEAR
12 ENDING SEPTEMBER 30, 2002, THERE IS APPROPRIATED FOR THE PUBLIC
13 SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING
14 TO EDUCATION THE SUM OF \$10,720,544,800.00 FROM THE STATE SCHOOL
15 AID FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE STATE
16 CONSTITUTION OF 1963 AND, SUBJECT TO SUBSECTION (2), THE SUM OF
17 \$420,613,500.00 FROM THE GENERAL FUND. FOR THE FISCAL YEAR
18 ENDING SEPTEMBER 30, 2003, THERE IS APPROPRIATED FOR THE PUBLIC
19 SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING
20 TO EDUCATION THE SUM OF \$11,049,477,000.00 FROM THE STATE SCHOOL
21 AID FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE STATE
22 CONSTITUTION OF 1963 AND, SUBJECT TO SUBSECTION (2), THE SUM OF
23 \$420,613,500.00 FROM THE GENERAL FUND. In addition, available
24 federal funds are appropriated for ~~1998-99, for 1999-2000, and~~
25 ~~for 2000-2001~~ EACH OF THOSE FISCAL YEARS.

26 (2) IF LEGISLATION IS ENACTED IN 2000 APPROPRIATING GENERAL
27 FUND MONEY FOR 1999-2000 FOR GRANTS TO SUPPORT A MICHIGAN SUMMER

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1 FAMILY ENRICHMENT PROGRAM AND APPROPRIATING GENERAL FUND MONEY
2 FOR 2000-2001, 2001-2002, AND 2002-2003 FOR DEVELOPMENT, IMPLE-
3 MENTATION, AND OPERATION OF THE MICHIGAN VIRTUAL HIGH SCHOOL,
4 THEN THE AMOUNTS APPROPRIATED UNDER THIS SECTION FROM THE GENERAL
5 FUND SHALL NOT BE AS PROVIDED IN SUBSECTION (1) BUT INSTEAD ARE
6 AS FOLLOWS:

7 (A) FOR 1999-2000, THE SUM OF \$410,613,500.00.

8 (B) FOR 2000-2001, THE SUM OF \$405,613,500.00.

9 (C) FOR 2001-2002, THE SUM OF \$419,113,500.00.

10 (D) FOR 2002-2003, THE SUM OF \$419,113,500.00.

11 (3) ~~—(2)—~~ The appropriations under this section shall be
12 allocated as provided in this act. Money appropriated under this
13 section from the general fund and from available federal funds
14 shall be expended to fund the purposes of this act before the
15 expenditure of money appropriated under this section from the
16 state school aid fund. If the maximum amount appropriated under
17 this section from the state school aid fund for a fiscal year
18 exceeds the amount necessary to fully fund allocations under this
19 act from the state school aid fund, that excess amount shall not
20 be expended in that state fiscal year and shall not lapse to the
21 general fund, but instead shall remain in the state school aid
22 fund.

23 (4) ~~—(3)—~~ If the maximum amount appropriated under this sec-
24 tion and ~~—sections—~~ SECTION 11f ~~—and 11g—~~ from the state school
25 aid fund for a fiscal year exceeds the amount available for
26 expenditure from the state school aid fund for that fiscal year,
27 payments under sections 11f, 11g, ~~—and—~~ 22A, 31D, 51a(2), AND 51C

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

21 (5) EXCEPT FOR THE ALLOCATION UNDER SECTION 26A, ANY GENERAL
22 FUND ALLOCATIONS UNDER THIS ACT THAT ARE NOT EXPENDED BY THE END
23 OF THE STATE FISCAL YEAR SHALL LAPSE TO THE STATE SCHOOL AID
24 FUND.

25 Sec. 11f. (1) In addition to any other money appropriated
26 under this act, there is appropriated from the state school aid
27 fund an amount not to exceed \$32,000,000.00 each fiscal year ~~for~~

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

26 (2) In addition to any other money appropriated under this
27 act, there is appropriated from the state school aid fund an

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

25 (3) This section does not create any obligation or liability
26 of this state to any district or intermediate district that does
27 not submit a waiver resolution described in subsection (1) or

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

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

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

4 (6) Funds paid to a district or intermediate district under
5 this section shall be used only for textbooks, electronic
6 instructional material, software, technology, infrastructure or
7 infrastructure improvements, school buses, school security,
8 training for technology, or to pay debt service on voter-approved
9 bonds issued by the district or intermediate district before the
10 effective date of this section. For intermediate districts only,
11 funds paid under this section may also be used for other nonre-
12 ccurring instructional expenditures including, but not limited to,
13 nonrecurring instructional expenditures for vocational education,
14 or for debt service for acquisition of technology for academic
15 support services. Funds received by an intermediate district
16 under this section may be used for projects conducted for the
17 benefit of its constituent districts at the discretion of the
18 intermediate board. To the extent payments under this section
19 are used by a district or intermediate district to pay debt serv-
20 ice on debt payable from millage revenues, and to the extent per-
21 mitted by law, the district or intermediate district may make a
22 corresponding reduction in the number of mills levied for that
23 debt service.

24 (7) The appropriations under this section are from the money
25 appropriated and transferred to the state school aid fund from
26 the countercyclical budget and economic stabilization fund under

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1 section 353e(2) and (3) of the management and budget act, 1984
2 PA 431, MCL 18.1353e.

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

6 "Whereas, the board of _____ (name of dis-
7 trict or intermediate district) desires to settle and compromise,
8 in their entirety, any claim or claims that the district (or
9 intermediate district) has or had for violations of section 29 of
10 article IX of the state constitution of 1963, which claim or
11 claims are or were similar to the claims asserted by the plain-
12 tiffs in the consolidated cases known as Durant v State of
13 Michigan, Michigan supreme court docket no. 104458-104492.

14 Whereas, the district (or intermediate district) agrees to
15 settle and compromise these claims for the consideration
16 described in sections 11f and 11g of the state school aid act of
17 1979, 1979 PA 94, MCL 388.1611f and 388.1611g, and in the amount
18 specified for the district (or intermediate district) in
19 section 11h of the state school aid act of 1979, 1979 PA 94,
20 MCL 388.1611h.

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

23 Now, therefore, be it resolved as follows:

24 1. The board of _____ (name of district or
25 intermediate district) waives any right or interest it may have
26 in any claim or potential claim through September 30, 1997
27 relating to the amount of funding the district or intermediate

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1 district is, or may have been, entitled to receive under the
2 state school aid act of 1979, 1979 PA 94, MCL 388.1601 to
3 388.1772, or any other source of state funding, by reason of the
4 application of section 29 of article IX of the state constitution
5 of 1963, which claims or potential claims are or were similar to
6 the claims asserted by the plaintiffs in the consolidated cases
7 known as Durant v State of Michigan, Michigan supreme court
8 docket no. 104458-104492.

9 2. The board of _____ (name of district or
10 intermediate district) directs its secretary to submit a certi-
11 fied copy of this resolution to the state treasurer no later than
12 5 p.m. eastern standard time on March 2, 1998, and agrees that it
13 will not take any action to amend or rescind this resolution.

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

21 4. This resolution is contingent on continued payments by
22 the state each fiscal year as determined under sections 11f and
23 11g of the state school aid act of 1979, 1979 PA 94,
24 MCL 388.1611f and 388.1611g. However, this resolution shall be
25 an irrevocable waiver of any claim to amounts actually received
26 by the school district or intermediate school district under
27 sections 11f and 11g of the state school aid act of 1979.".

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1 Sec. 11g. (1) ~~In addition to the appropriations under~~
2 ~~section 11f and any other money appropriated under this act,~~
3 ~~there is appropriated from the state school aid fund an amount~~
4 ~~not to exceed \$40,000,000.00 for the fiscal year ending September~~
5 ~~30, 1999.~~ From the general fund money appropriated in
6 section 11, there is allocated an amount not to exceed
7 \$40,000,000.00 for the fiscal year ending September 30, 2000, for
8 the fiscal year ending September 30, 2001, FOR THE FISCAL YEAR
9 ENDING SEPTEMBER 30, 2002, FOR THE FISCAL YEAR ENDING SEPTEMBER
10 30, 2003, and for each succeeding fiscal year through the fiscal
11 year ending September 30, 2013. Payments under this section will
12 cease after September 30, 2013. These appropriations are for
13 paying the amounts described in subsection (3) to districts and
14 intermediate districts, other than those receiving a lump sum
15 payment under section 11f(2), that were not plaintiffs in the
16 consolidated cases known as Durant v State of Michigan, Michigan
17 supreme court docket no. 104458-104492 and that, on or before
18 March 2, 1998, ~~have~~ submitted to the state treasurer a waiver
19 resolution described in section 11f. The amounts paid under this
20 section represent offers of settlement and compromise of any
21 claim or claims that were or could have been asserted by these
22 districts and intermediate districts, as described in this
23 section.

24 (2) This section does not create any obligation or liability
25 of this state to any district or intermediate district that does
26 not submit a waiver resolution described in section 11f. This
27 section, any other provision of this act, and section 353e of the

1 management and budget act, 1984 PA 431, MCL 18.1353e, are not
2 intended to admit liability or waive any defense that is or would
3 be available to this state or its agencies, employees, or agents
4 in any litigation or future litigation with a district or inter-
5 mediate district regarding these claims or potential claims.

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

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

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

24 (4) The entire amount of each payment under this section
25 each fiscal year shall be paid on May 15 of the applicable fiscal
26 year or on the next business day following that date. If a
27 district or intermediate district borrows money and issues bonds

1 under section 11i, the district or intermediate district shall
2 use funds received under this section to pay debt service on
3 bonds issued under section 11i. If a district or intermediate
4 district does not borrow money and issue bonds under section 11i,
5 the district or intermediate district shall use funds received
6 under this section only for the following purposes, in the fol-
7 lowing order of priority:

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

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

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

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

21 (6) A district or intermediate district may pledge or assign
22 payments under this section as security for bonds issued under
23 section 11i, but shall not otherwise pledge or assign payments
24 under this section.

25 ~~-(7) The state school aid fund appropriation under this sec-~~
26 ~~tion for 1998-99 is from the money appropriated and transferred~~
27 ~~to the state school aid fund from the countercyclical budget and~~

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~~1 economic stabilization fund under section 353e(2) of the
2 management and budget act, 1984 PA 431, MCL 18.1353e.~~

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

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

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

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

14 Sec. 20. (1) ~~For 1998-99, the basic foundation allowance~~
15 ~~is \$5,462.00 per membership pupil.~~ For 1999-2000, the basic
16 foundation allowance is \$5,696.00 per membership pupil. For
17 2000-2001, the basic foundation allowance is ~~\$5,866.00~~
18 \$5,981.00 per membership pupil. FOR 2001-2002, THE BASIC FOUNDA-
19 TION ALLOWANCE IS \$6,280.00 PER MEMBERSHIP PUPIL. FOR 2002-2003,
20 THE BASIC FOUNDATION ALLOWANCE IS \$6,468.00 PER MEMBERSHIP PUPIL.

21 (2) From the appropriation in section 11, there is allocated
22 ~~for 1998-99 an amount not to exceed \$8,034,100,000.00,~~ for
23 1999-2000 an amount not to exceed ~~\$8,516,932,000.00,~~ and for
24 2000-2001 an amount not to exceed ~~\$8,906,496,200.00,~~
25 \$8,427,900,000.00 to guarantee each district a foundation allow-
26 ance per membership pupil other than special education pupils and
27 to make payments under this section to public school academies

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

1 full foundation allowance funding for each district, university
2 school, and public school academy.

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

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

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

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

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

1 PRODUCT of the district's foundation allowance for the
2 immediately preceding state fiscal year TIMES THE PERCENTAGE
3 INCREASE IN THE UNITED STATES CONSUMER PRICE INDEX IN THE CALEN-
4 DAR YEAR ENDING IN THE IMMEDIATELY PRECEDING FISCAL YEAR AS
5 REPORTED BY THE MAY REVENUE ESTIMATING CONFERENCE CONDUCTED UNDER
6 SECTION 367B OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL
7 18.1367B.

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

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

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

(E) BEGINNING IN 2001-2002, FOR A DISTRICT THAT RECEIVES AN
ADDITION TO ITS FOUNDATION ALLOWANCE UNDER SUBSECTION (19) FOR 2000-
2001, THE DISTRICT'S 2000-2001 FOUNDATION ALLOWANCE SHALL BE
CONSIDERED TO HAVE BEEN AN AMOUNT EQUAL TO THE SUM OF THE DISTRICT'S
ACTUAL 2000-2001 FOUNDATION ALLOWANCE AS CALCULATED UNDER THIS
SUBSECTION PLUS THE AMOUNT PER PUPIL OTHER THAN SPECIAL EDUCATION
PUPILS OF THE ADDITION TO ITS FOUNDATION ALLOWANCE FOR 2000-2001
UNDER SUBSECTION (19).

21 (F) BEGINNING IN 2003-2004, FOR A DISTRICT THAT RECEIVES A
22 PAYMENT UNDER SECTION 22C FOR 2002-2003, THE DISTRICT'S 2002-2003
23 FOUNDATION ALLOWANCE SHALL BE CONSIDERED TO HAVE BEEN AN AMOUNT
24 EQUAL TO THE SUM OF THE DISTRICT'S ACTUAL 2002-2003 FOUNDATION
25 ALLOWANCE AS OTHERWISE CALCULATED UNDER THIS SECTION PLUS THE PER
26 PUPIL AMOUNT OF THE DISTRICT'S EQUITY PAYMENT FOR 2002-2003 UNDER
27 SECTION 22C.

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1 (4) To ensure that a district receives the district's
2 foundation allowance, there is allocated to each district a state
3 portion of the district's foundation allowance in an amount cal-
4 culated under this subsection. Except as otherwise provided in
5 this subsection, the state portion of a district's foundation
6 allowance is an amount equal to the district's foundation allow-
7 ance or \$6,500.00, whichever is less, minus the difference
8 between the product of the taxable value per membership pupil of
9 all property in the district that is not a homestead or qualified
10 agricultural property times the lesser of 18 mills or the number
11 of mills of school operating taxes levied by the district in
12 1993-94 and the quotient of the ad valorem property tax revenue
13 of the district captured under 1975 PA 197, MCL 125.1651 to
14 125.1681, the tax increment finance authority act, 1980 PA 450,
15 MCL 125.1801 to 125.1830, the local development financing act,
16 1986 PA 281, MCL 125.2151 to 125.2174, or the Brownfield redevel-
17 opment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
18 divided by the district's membership excluding special education
19 pupils. ~~For~~ BEGINNING IN 1999-2000, ~~only,~~ for a district
20 described in subsection (3)(c) WITH A FOUNDATION ALLOWANCE
21 INCREASE LESS THAN THE INCREASE IN THE BASIC FOUNDATION ALLOWANCE
22 FOR THE CURRENT STATE FISCAL YEAR, AS COMPARED TO THE IMMEDIATELY
23 PRECEDING STATE FISCAL YEAR, the state portion of the district's
24 foundation allowance is an amount equal to \$6,962.00 plus ~~1.6%~~
25 ~~of~~ THE DIFFERENCE BETWEEN the district's foundation allowance
26 for the ~~immediately preceding~~ CURRENT state fiscal year AND THE
27 DISTRICT'S FOUNDATION ALLOWANCE FOR 1998-99, minus the difference

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

1 district that has a millage reduction required under section 31
2 of article IX of the state constitution of 1963, the state por-
3 tion of the district's foundation allowance shall be calculated
4 as if that reduction did not occur. For each fiscal year after
5 1994-95, the \$6,500.00 amount prescribed in this subsection shall
6 be adjusted each year by an amount equal to the dollar amount of
7 the difference between the basic foundation allowance for the
8 current state fiscal year and \$5,000.00.

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

25 (6) Subject to subsection (7) and except as otherwise pro-
26 vided in this subsection, for pupils in membership, other than
27 special education pupils, in a public school academy or a

1 university school, there is allocated under this section each
2 fiscal year ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001,
3 FOR 2001-2002, AND FOR 2002-2003 to the authorizing body that is
4 the fiscal agent for the public school academy for forwarding to
5 the public school academy, or to the board of the public univer-
6 sity operating the university school, an amount per membership
7 pupil other than special education pupils in the public school
8 academy or university school equal to the sum of the local school
9 operating revenue per membership pupil other than special educa-
10 tion pupils for the district in which the public school academy
11 or university school is located and the state portion of that
12 district's foundation allowance, or the sum of the basic founda-
13 tion allowance under subsection (1) plus \$500.00, whichever is
14 less. Notwithstanding section 101(2), for a public school acad-
15 emy that begins operations in ~~1998-99,~~ 1999-2000, ~~or~~
16 2000-2001, 2001-2002, OR 2002-2003, as applicable, after the
17 pupil membership count day, the amount per membership pupil cal-
18 culated under this subsection shall be adjusted by multiplying
19 that amount per membership pupil by the number of hours of pupil
20 instruction provided by the public school academy after it begins
21 operations, as determined by the department, divided by the mini-
22 mum number of hours of pupil instruction required under section
23 1284 of the revised school code, MCL 380.1284. The result of
24 this calculation shall not exceed the amount per membership pupil
25 otherwise calculated under this subsection.

26 (7) If more than 25% of the pupils residing within a
27 district are in membership in 1 or more public school academies

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

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

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

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

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

25 (11) For a district that is formed or reconfigured after
26 June 1, 1994 by consolidation of 2 or more districts or by
27 annexation, the resulting district's foundation allowance under

1 this section beginning after the effective date of the
2 consolidation or annexation shall be the average of the founda-
3 tion allowances of each of the original or affected districts,
4 calculated as provided in this section, weighted as to the per-
5 centage of pupils in total membership in the resulting district
6 who reside in the geographic area of each of the original
7 districts. If an affected district's foundation allowance is
8 less than the basic foundation allowance, the amount of that
9 district's foundation allowance shall be considered for the pur-
10 pose of calculations under this subsection to be equal to the
11 amount of the basic foundation allowance.

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

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

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

25 (a) The pupil membership factor shall be computed by divid-
26 ing the estimated membership in the school year ending in the
27 current state fiscal year, excluding intermediate district

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

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

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

9 (15) If the principals at the revenue estimating conference
10 reach a consensus on the index described in subsection (14)(c),
11 the basic foundation allowance for the subsequent state fiscal
12 year shall be at least the amount of that consensus index multi-
13 plied by the basic foundation allowance specified in subsection
14 (1).

15 (16) If at the January revenue estimating conference it is
16 estimated that pupil membership, excluding intermediate district
17 membership, for the subsequent state fiscal year will be greater
18 than 101% of the pupil membership, excluding intermediate dis-
19 trict membership, for the current state fiscal year, then it is
20 the intent of the legislature that the executive budget proposal
21 for the school aid budget for the subsequent state fiscal year
22 include a general fund/general purpose allocation sufficient to
23 support the membership in excess of 101% of the current year
24 pupil membership.

25 (17) Beginning in 1999-2000, for a district that had com-
26 bined state and local revenue per membership pupil in the 1993-94
27 state fiscal year of more than \$6,500.00, that had fewer than 7

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1 pupils in membership in the 1993-94 state fiscal year, that has
2 at least 1 ~~pupil in membership~~ CHILD educated in the district
3 in the current state fiscal year, and that levies the number of
4 mills of school operating taxes authorized for the district under
5 section 1211 of the revised school code, MCL 380.1211, the dis-
6 trict shall be allocated a minimum amount of combined state and
7 local revenue as provided under this subsection. ~~This~~ THE min-
8 imum amount of combined state and local revenue for 1999-2000
9 shall be \$67,000.00 plus the district's additional expenses to
10 educate pupils in grades 9 to 12 educated in other districts as
11 determined and allowed by the department. Beginning in
12 2000-2001, the ~~amount of the~~ minimum amount of combined state
13 and local revenue under this subsection, before adding the addi-
14 tional expenses, shall increase each fiscal year by the same per-
15 centage increase as the percentage increase in the basic founda-
16 tion allowance from the immediately preceding fiscal year to the
17 current fiscal year. The state portion of the minimum amount of
18 combined state and local revenue under this subsection shall be
19 calculated by subtracting from the minimum amount of combined
20 state and local revenue under this subsection the sum of the
21 district's local school operating revenue and the product of the
22 state portion of the district's foundation allowance times the
23 district's membership. As used in this subsection, "additional
24 expenses" means the district's expenses for tuition or fees, not
25 to exceed \$6,500.00 as adjusted each year by an amount equal to
26 the dollar amount of the difference between the basic foundation
27 allowance for the current state fiscal year and \$5,000.00, plus a

1 room and board stipend not to exceed \$10.00 per school day for
2 each pupil in grades 9 to 12 educated in another district, as
3 approved by the department.

4 (18) FOR A DISTRICT IN WHICH THE NUMBER OF MILLS LEVIED IN
5 1993 FOR SCHOOL OPERATING PURPOSES IN THE 1993-94 SCHOOL YEAR WAS
6 AT LEAST 9 MILLS LESS THAN THE NUMBER OF MILLS LEVIED IN 1992 FOR
7 SCHOOL OPERATING PURPOSES IN THE 1992-93 SCHOOL YEAR, THE
8 DISTRICT'S 1993-94 COMBINED STATE AND LOCAL REVENUE PER MEMBER-
9 SHIP PUPIL SHALL BE RECALCULATED AS IF THAT MILLAGE REDUCTION DID
10 NOT OCCUR AND, BEGINNING IN 2000-2001, THE DISTRICT'S FOUNDATION
11 ALLOWANCE SHALL BE CALCULATED AS IF ITS 1994-95 FOUNDATION ALLOW-
12 ANCE HAD BEEN CALCULATED USING THAT RECALCULATED 1993-94 COMBINED
13 STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL AS A BASE. A DIS-
14 TRICT IS NOT ENTITLED TO ANY RETROACTIVE PAYMENTS FOR FISCAL
15 YEARS BEFORE 2000-2001 DUE TO THIS SUBSECTION.

(19) FOR 2000-2001 ONLY. FOR A DISTRICT THAT IS A SCHOOL
DISTRICT OF THE FIRST CLASS UNDER THE REVISED SCHOOL CODE, THE
DISTRICT SHALL RECEIVE AN ADDITION TO ITS FOUNDATION ALLOWANCE IN AN
AMOUNT EQUAL TO THE QUOTIENT OF \$15,000,000.00 DIVIDED BY THE
DISTRICT'S MEMBERSHIP OTHER THAN SPECIAL EDUCATION PUPILS.

16 (20) BEGINNING IN 2000-2001, PAYMENTS TO DISTRICTS, UNIVER-
17 SITY SCHOOLS, OR PUBLIC SCHOOL ACADEMIES SHALL NOT BE MADE UNDER
18 THIS SECTION. RATHER, THE CALCULATIONS UNDER THIS SECTION SHALL
19 BE USED TO DETERMINE THE AMOUNT OF STATE PAYMENTS UNDER SECTION
20 22B.

21 (21) IF AN AMENDMENT TO SECTION 2 OF ARTICLE VIII OF THE STATE
22 CONSTITUTION OF 1963 ALLOWING STATE AID TO SOME OR ALL NONPUBLIC
23 SCHOOLS IS APPROVED BY THE VOTERS OF THIS STATE, EACH FOUNDATION
24 ALLOWANCE OR PER PUPIL PAYMENT CALCULATION UNDER THIS SECTION MAY BE
25 REDUCED.

26 (22) ~~-(18)-~~ As used in this section:

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1 (a) "Combined state and local revenue" means the aggregate
2 of the district's state school aid received by or paid on behalf
3 of the district under this section and the district's local
4 school operating revenue.

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

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

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

12 (e) "Immediately preceding state fiscal year" means the
13 state fiscal year immediately preceding the current state fiscal
14 year.

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

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

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

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

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

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

7 (l) "Taxable value per membership pupil" means taxable
8 value, as certified by the department of treasury, for the calen-
9 dar year ending in the current state fiscal year divided by the
10 district's membership excluding special education pupils for the
11 school year ending in the current state fiscal year.

12 Sec. 20j. (1) From the appropriation in section 11, there
13 is allocated for 1999-2000 ~~only~~ an amount not to exceed
14 ~~\$16,000,000.00~~ \$23,000,000.00 for foundation allowance supple-
15 mental payments to districts that in the ~~immediately preceding~~
16 1994-95 state fiscal year had a foundation allowance greater than
17 ~~\$6,962.00 and less than \$12,000.00~~ \$6,500.00. ~~From the appro-~~
18 ~~priation in section 11, there is allocated for 2000-2001 only an~~
19 ~~amount not to exceed \$13,000,000.00 for foundation allowance sup-~~
20 ~~plemental payments to districts that in the immediately preceding~~
21 ~~state fiscal year had a foundation allowance greater than~~
22 ~~\$7,196.00 and less than \$12,234.00.~~

23 (2) The per pupil allocation to each district under this
24 section shall be the difference between the dollar amount of the
25 adjustment from the ~~immediately preceding~~ 1998-99 state fiscal
26 year to the current state fiscal year in the basic foundation
27 allowance ~~and 1.6% of the district's foundation allowance for~~

1 ~~the immediately preceding~~ MINUS THE DOLLAR AMOUNT OF THE
2 ADJUSTMENT FROM THE 1998-99 state fiscal year TO THE CURRENT
3 STATE FISCAL YEAR IN THE DISTRICT'S FOUNDATION ALLOWANCE.

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

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

12 SEC. 20/. (1) FROM THE STATE SCHOOL AID FUND MONEY APPRO-
13 PRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
14 \$250,000.00 EACH FISCAL YEAR FOR 1999-2000, 2000-2001, 2001-2002,
15 AND 2002-2003 FOR PAYMENTS TO DISTRICTS UNDER THIS SECTION.

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

18 (A) THE DISTRICT'S MEMBERSHIP IS 30 PUPILS OR FEWER.

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

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

26 (3) THE AMOUNT OF THE PAYMENT UNDER THIS SECTION TO EACH
27 DISTRICT ELIGIBLE UNDER SUBSECTION (2) SHALL BE AN AMOUNT EQUAL
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1 TO THE STATE REVENUE DERIVED FOR THE CALENDAR YEAR ENDING IN THE
2 IMMEDIATELY PRECEDING FISCAL YEAR FROM THE TAX LEVIED UNDER THE
3 STATE EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO 211.906, ON
4 PROPERTY LOCATED IN THE DISTRICT, AS DETERMINED BY THE DEPARTMENT
5 OF TREASURY.

6 Sec. 21b. (1) Subject to subsections (2) and (3), a dis-
7 trict shall use funds received under section 20 OR, BEGINNING IN
8 2000-2001, UNDER SECTION 22A OR 22B to support the attendance of
9 a district pupil at an eligible postsecondary institution under
10 the postsecondary enrollment options act, ~~Act No. 160 of the~~
11 ~~Public Acts of 1996, being sections 388.511 to 388.524 of the~~
12 ~~Michigan Compiled Laws~~ 1996 PA 160, MCL 388.511 TO 388.524.

13 (2) To the extent required under subsection (3), a district
14 shall pay tuition and mandatory course fees, material fees, and
15 registration fees required by an eligible postsecondary institu-
16 tion for enrollment in an eligible course. A district also shall
17 pay any late fees charged by an eligible postsecondary institu-
18 tion due to the district's failure to make a required payment
19 according to the timetable prescribed by ~~Act No. 160 of the~~
20 ~~Public Acts of 1996~~ THE POSTSECONDARY ENROLLMENT OPTIONS ACT,
21 1996 PA 160, MCL 388.511 TO 388.524. A district is not required
22 to pay transportation costs, parking costs, or activity fees.

23 (3) A district shall pay to the eligible postsecondary
24 institution on behalf of an eligible student an amount equal to
25 the lesser of the amount of the eligible charges described in
26 subsection (2) or the prorated percentage of the state portion of
27 the foundation allowance paid OR CALCULATED, AS APPLICABLE, on

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1 behalf of that eligible student under section 20, with the
2 proration based on the proportion of the school year that the
3 eligible student attends the postsecondary institution. A dis-
4 trict may pay more money to an eligible postsecondary institution
5 on behalf of an eligible student than required under this section
6 and ~~Act No. 160 of the Public Acts of 1996~~ THE POSTSECONDARY
7 ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL 388.511 TO 388.524, and
8 may use local school operating revenue for that purpose. An eli-
9 gible student is responsible for payment of the remainder of the
10 costs associated with his or her postsecondary enrollment that
11 exceed the amount the district is required to pay under this sec-
12 tion and ~~Act No. 160 of the Public Acts of 1996~~ THE POSTSECON-
13 ARY ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL 388.511 TO 388.524,
14 and that are not paid by the district. As used in this subsec-
15 tion, "local school operating revenue" means that term as defined
16 in section 20.

17 (4) As used in this section, "eligible course", "eligible
18 student", and "eligible postsecondary institution" mean those
19 terms as defined in section 3 of ~~Act No. 160 of the Public Acts~~
20 ~~of 1996, being section 388.513 of the Michigan Compiled Laws~~ THE
21 POSTSECONDARY ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL 388.511 TO
22 388.524.

23 SEC. 22A. (1) FROM THE APPROPRIATION IN SECTION 11, THERE
24 IS ALLOCATED AN AMOUNT NOT TO EXCEED \$7,230,400,000.00 FOR
25 2000-2001, AN AMOUNT NOT TO EXCEED \$7,117,745,300.00 FOR
26 2001-2002, AND AN AMOUNT NOT TO EXCEED \$6,958,707,600.00 FOR
27 2002-2003 FOR PAYMENTS TO DISTRICTS, A QUALIFYING UNIVERSITY

05714'00 (S-1)

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1 SCHOOL, AND QUALIFYING PUBLIC SCHOOL ACADEMIES TO GUARANTEE EACH
2 DISTRICT, QUALIFYING UNIVERSITY SCHOOL, AND QUALIFYING PUBLIC
3 SCHOOL ACADEMY AN AMOUNT EQUAL TO ITS 1994-95 TOTAL STATE AND
4 LOCAL PER PUPIL REVENUE FOR SCHOOL OPERATING PURPOSES UNDER
5 SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963.
6 PURSUANT TO SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF
7 1963, THIS GUARANTEE DOES NOT APPLY TO A DISTRICT IN A YEAR IN
8 WHICH THE DISTRICT LEVIES A MILLAGE RATE FOR SCHOOL DISTRICT
9 OPERATING PURPOSES LESS THAN IT LEVIED IN 1994. HOWEVER,
10 SUBSECTION (2) APPLIES TO CALCULATING THE PAYMENTS UNDER THIS
11 SECTION.

12 (2) TO ENSURE THAT A DISTRICT RECEIVES AN AMOUNT EQUAL TO
13 THE DISTRICT'S 1994-95 TOTAL STATE AND LOCAL PER PUPIL REVENUE
14 FOR SCHOOL OPERATING PURPOSES, THERE IS ALLOCATED TO EACH DIS-
15 TRICT A STATE PORTION OF THE DISTRICT'S 1994-95 FOUNDATION ALLOW-
16 ANCE IN AN AMOUNT CALCULATED AS FOLLOWS:

17 (A) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, THE
18 STATE PORTION OF A DISTRICT'S 1994-95 FOUNDATION ALLOWANCE IS AN
19 AMOUNT EQUAL TO THE DISTRICT'S 1994-95 FOUNDATION ALLOWANCE OR
20 \$6,500.00, WHICHEVER IS LESS, MINUS THE DIFFERENCE BETWEEN THE
21 PRODUCT OF THE TAXABLE VALUE PER MEMBERSHIP PUPIL OF ALL PROPERTY
22 IN THE DISTRICT THAT IS NOT A HOMESTEAD OR QUALIFIED AGRICULTURAL
23 PROPERTY TIMES THE LESSER OF 18 MILLS OR THE NUMBER OF MILLS OF
24 SCHOOL OPERATING TAXES LEVIED BY THE DISTRICT IN 1993-94 AND THE
25 QUOTIENT OF THE AD VALOREM PROPERTY TAX REVENUE OF THE DISTRICT
26 CAPTURED UNDER 1975 PA 197, MCL 125.1651 TO 125.1681, THE TAX
27 INCREMENT FINANCE AUTHORITY ACT, 1980 PA 450, MCL 125.1801 TO

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1 125.1830, THE LOCAL DEVELOPMENT FINANCING ACT, 1986 PA 281, MCL
2 125.2151 TO 125.2174, OR THE BROWNFIELD REDEVELOPMENT FINANCING
3 ACT, 1996 PA 381, MCL 125.2651 TO 125.2672, DIVIDED BY THE
4 DISTRICT'S MEMBERSHIP. FOR A DISTRICT THAT HAS A MILLAGE REDUC-
5 TION REQUIRED UNDER SECTION 31 OF ARTICLE IX OF THE STATE CONSTI-
6 TUTION OF 1963, THE STATE PORTION OF THE DISTRICT'S FOUNDATION
7 ALLOWANCE SHALL BE CALCULATED AS IF THAT REDUCTION DID NOT
8 OCCUR.

9 (B) FOR A DISTRICT THAT HAD A 1994-95 FOUNDATION ALLOWANCE
10 GREATER THAN \$6,500.00, THE STATE PAYMENT UNDER THIS SUBSECTION
11 SHALL BE THE SUM OF THE AMOUNT CALCULATED UNDER SUBDIVISION (A)
12 PLUS THE AMOUNT CALCULATED UNDER THIS SUBDIVISION. THE AMOUNT
13 CALCULATED UNDER THIS SUBDIVISION SHALL BE EQUAL TO THE DIFFER-
14 ENCE BETWEEN THE DISTRICT'S 1994-95 FOUNDATION ALLOWANCE MINUS
15 \$6,500.00 AND THE CURRENT YEAR HOLD HARMLESS SCHOOL OPERATING
16 TAXES PER PUPIL. IF THE RESULT OF THE CALCULATION UNDER
17 SUBDIVISION (A) IS NEGATIVE, THE NEGATIVE AMOUNT SHALL BE AN
18 OFFSET AGAINST ANY STATE PAYMENT CALCULATED UNDER THIS
19 SUBDIVISION. IF THE RESULT OF A CALCULATION UNDER THIS SUBDIVI-
20 SION IS NEGATIVE, THERE SHALL NOT BE A STATE PAYMENT OR A DEDUC-
21 TION UNDER THIS SUBDIVISION. THE TAXABLE VALUES PER MEMBERSHIP
22 PUPIL USED IN THE CALCULATIONS UNDER THIS SUBDIVISION ARE AS
23 ADJUSTED BY AD VALOREM PROPERTY TAX REVENUE CAPTURED UNDER 1975
24 PA 197, MCL 125.1651 TO 125.1681, THE TAX INCREMENT FINANCE
25 AUTHORITY ACT, 1980 PA 450, MCL 125.1801 TO 125.1830, THE LOCAL
26 DEVELOPMENT FINANCING ACT, 1986 PA 281, MCL 125.2151 TO 125.2174,

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1 OR THE BROWNFIELD REDEVELOPMENT FINANCING ACT, 1996 PA 381,
2 MCL 125.2651 TO 125.2672, DIVIDED BY THE DISTRICT'S MEMBERSHIP.

3 (3) FOR PUPILS IN MEMBERSHIP IN A QUALIFYING PUBLIC SCHOOL
4 ACADEMY OR QUALIFYING UNIVERSITY SCHOOL, THERE IS ALLOCATED UNDER
5 THIS SECTION EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND
6 FOR 2002-2003 TO THE AUTHORIZING BODY THAT IS THE FISCAL AGENT
7 FOR THE QUALIFYING PUBLIC SCHOOL ACADEMY FOR FORWARDING TO THE
8 QUALIFYING PUBLIC SCHOOL ACADEMY, OR TO THE BOARD OF THE PUBLIC
9 UNIVERSITY OPERATING THE QUALIFYING UNIVERSITY SCHOOL, AN AMOUNT
10 EQUAL TO THE 1994-95 PER PUPIL PAYMENT TO THE QUALIFYING PUBLIC
11 SCHOOL ACADEMY OR QUALIFYING UNIVERSITY SCHOOL UNDER SECTION 20.

12 (4) A DISTRICT, QUALIFYING UNIVERSITY SCHOOL, OR QUALIFYING
13 PUBLIC SCHOOL ACADEMY MAY USE ANY FUNDS ALLOCATED UNDER THIS SEC-
14 TION IN CONJUNCTION WITH ANY FEDERAL FUNDS FOR WHICH THE DIS-
15 TRICT, QUALIFYING UNIVERSITY SCHOOL, OR QUALIFYING PUBLIC SCHOOL
16 ACADEMY OTHERWISE WOULD BE ELIGIBLE.

17 (5) FOR A DISTRICT THAT IS FORMED OR RECONFIGURED AFTER
18 JUNE 1, 2000 BY CONSOLIDATION OF 2 OR MORE DISTRICTS OR BY ANNEX-
19 ATION, THE RESULTING DISTRICT'S 1994-95 FOUNDATION ALLOWANCE
20 UNDER THIS SECTION BEGINNING AFTER THE EFFECTIVE DATE OF THE CON-
21 SOLIDATION OR ANNEXATION SHALL BE THE AVERAGE OF THE 1994-95
22 FOUNDATION ALLOWANCES OF EACH OF THE ORIGINAL OR AFFECTED DIS-
23 TRICTS, CALCULATED AS PROVIDED IN THIS SECTION, WEIGHTED AS TO
24 THE PERCENTAGE OF PUPILS IN TOTAL MEMBERSHIP IN THE RESULTING
25 DISTRICT IN THE STATE FISCAL YEAR IN WHICH THE CONSOLIDATION
26 TAKES PLACE WHO RESIDE IN THE GEOGRAPHIC AREA OF EACH OF THE
27 ORIGINAL DISTRICTS. IF AN AFFECTED DISTRICT'S 1994-95 FOUNDATION

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1 ALLOWANCE IS LESS THAN THE 1994-95 BASIC FOUNDATION ALLOWANCE,
2 THE AMOUNT OF THAT DISTRICT'S 1994-95 FOUNDATION ALLOWANCE SHALL
3 BE CONSIDERED FOR THE PURPOSE OF CALCULATIONS UNDER THIS SUBSEC-
4 TION TO BE EQUAL TO THE AMOUNT OF THE 1994-95 BASIC FOUNDATION
5 ALLOWANCE.

6 (6) AS USED IN THIS SECTION:

7 (A) "1994-95 FOUNDATION ALLOWANCE" MEANS A DISTRICT'S
8 1994-95 FOUNDATION ALLOWANCE CALCULATED AND CERTIFIED BY THE
9 DEPARTMENT OF TREASURY OR THE SUPERINTENDENT UNDER FORMER
10 SECTION 20A AS ENACTED IN 1993 PA 336 AND AS AMENDED BY 1994
11 PA 283.

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

14 (C) "CURRENT YEAR HOLD HARMLESS SCHOOL OPERATING TAXES PER
15 PUPIL" MEANS THE PER PUPIL REVENUE GENERATED BY MULTIPLYING A
16 DISTRICT'S 1994-95 HOLD HARMLESS MILLAGE BY THE DISTRICT'S CUR-
17 RENT YEAR TAXABLE VALUE PER MEMBERSHIP PUPIL.

18 (D) "HOLD HARMLESS MILLAGE" MEANS, FOR A DISTRICT WITH A
19 1994-95 FOUNDATION ALLOWANCE GREATER THAN \$6,500.00, THE NUMBER
20 OF MILLS BY WHICH THE EXEMPTION FROM THE LEVY OF SCHOOL OPERATING
21 TAXES ON A HOMESTEAD AND QUALIFIED AGRICULTURAL PROPERTY COULD BE
22 REDUCED AS PROVIDED IN SECTION 1211(1) OF THE REVISED SCHOOL
23 CODE, MCL 380.1211, AND THE NUMBER OF MILLS OF SCHOOL OPERATING
24 TAXES THAT COULD BE LEVIED ON ALL PROPERTY AS PROVIDED IN SECTION
25 1211(2) OF THE REVISED SCHOOL CODE, MCL 380.1211, AS CERTIFIED BY
26 THE DEPARTMENT OF TREASURY FOR THE 1994 TAX YEAR.

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

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

6 (G) "QUALIFIED AGRICULTURAL PROPERTY" MEANS THAT TERM AS
7 DEFINED IN SECTION 1211 OF THE REVISED SCHOOL CODE, MCL
8 380.1211.

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

12 (I) "QUALIFYING UNIVERSITY SCHOOL" MEANS A UNIVERSITY SCHOOL
13 THAT WAS IN OPERATION IN THE 1994-95 SCHOOL YEAR AND IS IN OPERA-
14 TION IN THE CURRENT FISCAL YEAR.

15 (J) "SCHOOL OPERATING TAXES" MEANS LOCAL AD VALOREM PROPERTY
16 TAXES LEVIED UNDER SECTION 1211 OF THE REVISED SCHOOL CODE, MCL
17 380.1211, AND RETAINED FOR SCHOOL OPERATING PURPOSES.

18 (K) "TAXABLE VALUE PER MEMBERSHIP PUPIL" MEANS EACH OF THE
19 FOLLOWING DIVIDED BY THE DISTRICT'S MEMBERSHIP:

20 (i) FOR THE NUMBER OF MILLS BY WHICH THE EXEMPTION FROM THE
21 LEVY OF SCHOOL OPERATING TAXES ON A HOMESTEAD AND QUALIFIED AGRI-
22 CULTURAL PROPERTY MAY BE REDUCED AS PROVIDED IN SECTION 1211(1)
23 OF THE REVISED SCHOOL CODE, MCL 380.1211, THE TAXABLE VALUE OF
24 HOMESTEAD AND QUALIFIED AGRICULTURAL PROPERTY FOR THE CALENDAR
25 YEAR ENDING IN THE CURRENT STATE FISCAL YEAR.

26 (ii) FOR THE NUMBER OF MILLS OF SCHOOL OPERATING TAXES THAT
27 MAY BE LEVIED ON ALL PROPERTY AS PROVIDED IN SECTION 1211(2) OF

1 THE REVISED SCHOOL CODE, MCL 380.1211, THE TAXABLE VALUE OF ALL
2 PROPERTY FOR THE CALENDAR YEAR ENDING IN THE CURRENT STATE FISCAL
3 YEAR.

4 SEC. 22B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE
5 IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,818,786,800.00 FOR
6 2000-2001, AN AMOUNT NOT TO EXCEED \$2,386,916,500.00 FOR
7 2001-2002, AND AN AMOUNT NOT TO EXCEED \$2,778,559,700.00 FOR
8 2002-2003 FOR DISCRETIONARY PAYMENTS TO DISTRICTS UNDER THIS
9 SECTION.

10 (2) SUBJECT TO SUBSECTION (4), BEGINNING IN 2000-2001, THE
11 ALLOCATION TO A DISTRICT UNDER THIS SECTION SHALL BE AN AMOUNT
12 EQUAL TO THE SUM OF THE AMOUNTS CALCULATED UNDER SECTIONS 20,
13 20J, 51A(2), 51A(3), AND 51A(12), MINUS THE SUM OF THE ALLOCA-
14 TIONS TO THE DISTRICT UNDER SECTIONS 22A AND 51C.

15 (3) THE ALLOCATIONS UNDER THIS SECTION ARE NOT CONSIDERED TO
16 BE PER PUPIL REVENUE FOR SCHOOL OPERATING PURPOSES UNDER
17 SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963.

18 (4) IN ORDER TO RECEIVE AN ALLOCATION UNDER THIS SECTION,
19 EACH DISTRICT SHALL ADMINISTER IN EACH GRADE LEVEL THAT IT OPER-
20 ATES IN GRADES 1 TO 5 A STANDARDIZED ASSESSMENT APPROVED BY THE
21 DEPARTMENT OF GRADE-APPROPRIATE BASIC EDUCATIONAL SKILLS.

22 SEC. 22C. FROM THE APPROPRIATION IN SECTION 11, THERE IS
23 ALLOCATED AN AMOUNT NOT TO EXCEED \$17,388,400.00 FOR 2002-2003 TO
24 MAKE EQUITY PAYMENTS TO DISTRICTS THAT HAVE A FOUNDATION ALLOW-
25 ANCE OR PER PUPIL PAYMENT CALCULATED UNDER SECTION 20 FOR 2002-2003
26 OF LESS THAN \$6,500.00. THE EQUITY PAYMENT FOR A DISTRICT SHALL BE AN AMOUNT
27 CALCULATED BY SUBTRACTING THE DISTRICT'S 2002-2003 FOUNDATION

1 ALLOWANCE OR PER PUPIL PAYMENT FROM \$6,500.00 AND MULTIPLYING THE
2 RESULT BY THE
3 DISTRICT'S MEMBERSHIP.

4 Sec. 24. (1) Subject to subsection (2), from the appropria-
5 tion in section 11, there is allocated ~~for 1998-99,~~ for
6 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003
7 to the educating district or intermediate district an amount
8 equal to 100% of the added cost each fiscal year for educating
9 all pupils assigned by a court or the family independence agency
10 to reside in or to attend a juvenile detention facility or child
11 caring institution licensed by the family independence agency or
12 the department of consumer and industry services and approved by
13 the department to provide an on-grounds education program. The
14 total amount to be paid under this section for added cost shall
15 not exceed ~~\$7,000,000.00 for 1998-99 and shall not exceed~~
16 \$7,900,000.00 each fiscal year for 1999-2000, ~~and~~ for
17 2000-2001, FOR 2001-2002, AND FOR 2002-2003. For the purposes of
18 this section, "added cost" shall be computed by deducting all
19 other revenue received under this act for pupils described in
20 this section from total costs, as approved by the department, for
21 educating those pupils in the on-grounds education program or in
22 a program approved by the department that is located on property
23 adjacent to a juvenile detention facility or child caring
24 institution. Costs reimbursed by federal funds are not

25 (2) A district or intermediate district educating pupils
26 described in this section at a residential child caring
27 institution may operate, and receive funding under this section

1 for, a department-approved on-grounds educational program for
2 those pupils that is longer than 181 days, but not longer than
3 233 days, if the child caring institution was licensed as a child
4 caring institution and offered in 1991-92 an on-grounds educa-
5 tional program that was longer than 181 days but not longer than
6 233 days and that was operated by a district or intermediate
7 district. IN ADDITION, A DISTRICT OR INTERMEDIATE DISTRICT THAT
8 RECEIVED FUNDS UNDER THIS SUBSECTION FOR 1998-99 FOR AN
9 ON-GROUNDS EDUCATIONAL PROGRAM THAT IS LONGER THAN 181 DAYS BUT
10 NOT LONGER THAN 233 DAYS SHALL CONTINUE TO RECEIVE FUNDS UNDER
11 THIS SECTION FOR SUBSEQUENT FISCAL YEARS FOR THAT PROGRAM.

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

14 Sec. 26a. From the general fund appropriation in section
15 11, there is allocated ~~for 1998-99 an amount not to exceed~~
16 ~~\$5,100,000.00, and for~~ each fiscal year for 1999-2000, ~~and~~
17 2000-2001, 2001-2002, AND 2002-2003 an amount not to exceed
18 \$7,000,000.00 to reimburse districts, intermediate districts, and
19 the state school aid fund pursuant to section 12 of the Michigan
20 renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied
21 in ~~1998,~~ 1999, ~~and~~ 2000, 2001, AND 2002, respectively. This
22 reimbursement shall be made by adjusting payments under section
23 20 to eligible districts, adjusting payments under section 56,
24 62, or 81 to eligible intermediate districts, and adjusting the
25 state school aid fund. The adjustments shall be made not later
26 than 60 days after the department of treasury certifies to the
27 department and to the state budget director that the department

1 of treasury has received all necessary information to properly
2 determine the amounts due to each eligible recipient.

3 Sec. 31a. (1) From the state school aid fund money appro-
4 priated in section 11, there is allocated ~~for 1998-99 an amount~~
5 ~~not to exceed \$260,000,000.00,~~ for 1999-2000 an amount not to
6 exceed \$270,920,000.00, ~~and~~ for 2000-2001 an amount not to
7 exceed ~~\$278,776,700.00~~ \$304,361,000.00, FOR 2001-2002 AN AMOUNT
8 NOT TO EXCEED \$318,579,100.00, AND FOR 2002-2003 AN AMOUNT NOT TO
9 EXCEED \$327,536,400.00 for payments to eligible districts and
10 eligible public school academies under this section. Subject to
11 subsection (10), the amount of the additional allowance under
12 this section shall be based on the number of actual pupils in
13 membership in the district or public school academy who met the
14 income eligibility criteria for free breakfast, lunch, or milk in
15 the immediately preceding state fiscal year, as determined under
16 the RICHARD B. RUSSELL national school lunch act, chapter 281,
17 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765
18 to 1766a, 1769, 1769b to 1769c, and 1769f to 1769h, and reported
19 to the department by October 31 of the immediately preceding
20 fiscal year and adjusted not later than December 31 of the imme-
21 diately preceding fiscal year. However, for a public school
22 academy that began operations as a public school academy after
23 the pupil membership count day of the immediately preceding
24 school year, the basis for the additional allowance under this
25 section shall be the number of actual pupils in membership in the
26 public school academy who met the income eligibility criteria for

1 free breakfast, lunch, or milk in the current state fiscal year,
2 as determined under the national school lunch act.

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

8 (a) The sum of the district's or public school academy's
9 combined state and local revenue per membership pupil in the cur-
10 rent state fiscal year, as calculated under section 20, plus —
11 ~~each fiscal year for 1999-2000 and 2000-2001 only,~~ the amount of
12 the district's per pupil allocation under section 20j(2), is less
13 than or equal to \$6,500.00 adjusted by the dollar amount of the
14 difference between the basic foundation allowance under section
15 20 for the current state fiscal year and \$5,000.00.

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

20 (3) Except as otherwise provided in this subsection, an eli-
21 gible district or eligible public school academy shall receive
22 under this section for each membership pupil in the district or
23 public school academy who met the income eligibility criteria for
24 free breakfast, lunch, or milk, as determined under the RICHARD
25 B. RUSSELL national school lunch act and as reported to the
26 department by October 31 of the immediately preceding fiscal year
27 and adjusted not later than December 31 of the immediately

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

22 (4) Except as otherwise provided in this section, a district
23 or public school academy receiving funding under this section
24 shall use that money only to provide instructional programs and
25 direct noninstructional services, including, but not limited to,
26 medical or counseling services, for at-risk pupils and for the
27 purposes of subsection (5) or section 31c and shall not use any

1 of that money for administrative costs or to supplant another
2 program or other funds, except for funds allocated to the dis-
3 trict or public school academy under this section in the immedi-
4 ately preceding year and already being used by the district or
5 public school academy for at-risk pupils. The instruction or
6 direct noninstructional services provided under this section may
7 be conducted before or after regular school hours or by adding
8 extra school days to the school year and may be conducted using a
9 tutorial method, with paraprofessionals working under the super-
10 vision of a certificated teacher. The ratio of pupils to para-
11 professionals shall be between 10:1 and 15:1. Only 1 certifi-
12 cated teacher is required to supervise instruction using a tuto-
13 rial method. As used in this subsection, "to supplant another
14 program" means to take the place of a previously existing
15 instructional program or direct noninstructional services funded
16 from a funding source other than funding under this section.

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

1 exceed \$10.00 per pupil for whom the district or public school
2 academy receives funds under this section, necessary to operate
3 the school lunch program.

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

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

26 (8) Subject to subsection (5), any district may use up to
27 100% of the funds it receives under this section to reduce the

1 ratio of pupils to teachers in grades K-6, or any combination of
2 those grades, in school buildings in which the percentage of
3 pupils described in subsection (1) exceeds the district's aggregate
4 percentage of those pupils. Subject to subsection (5), if a
5 district obtains a waiver from the department, the district may
6 use up to 100% of the funds it receives under this section to
7 reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) is at least 60% of
8 the district's aggregate percentage of those pupils and at least
9 30% of the total number of pupils enrolled in the school
10 building. To obtain a waiver, a district must apply to the
11 department and demonstrate to the satisfaction of the department
12 that the class size reductions would be in the best interests of
13 the district's at-risk pupils.

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

20 (10) If necessary, and before any proration required under
21 section 11, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this
22 section by a dollar amount calculated by determining the amount
23 by which the amount necessary to fully fund the requirements of
24 this section exceeds the maximum amount allocated under this section and then dividing that amount by the total statewide number
25 of pupils who met the income eligibility criteria for free
26
27

1 breakfast, lunch, or milk in the immediately preceding fiscal
2 year, as described in subsection (1).

3 (11) If a district is formed by consolidation after June 1,
4 1995, and if 1 or more of the original districts was not eligible
5 before the consolidation for an additional allowance under this
6 section, the amount of the additional allowance under this sec-
7 tion for the consolidated district shall be based on the number
8 of pupils described in subsection (1) enrolled in the consoli-
9 dated district who reside in the territory of an original dis-
10 trict that was eligible before the consolidation for an addi-
11 tional allowance under this section.

12 (12) Beginning in 1999-2000, a district or public school
13 academy that does not meet the eligibility requirement under sub-
14 section (2)(a) is eligible for funding under this section if at
15 least 1/4 of the pupils in membership in the district or public
16 school academy met the income eligibility criteria for free
17 breakfast, lunch, or milk in the immediately preceding state
18 fiscal year, as determined and reported as described in
19 subsection (1), and at least 4,500 of the pupils in membership in
20 the district or public school academy met the income eligibility
21 criteria for free breakfast, lunch, or milk in the immediately
22 preceding state fiscal year, as determined and reported as
23 described in subsection (1). A district or public school academy
24 that is eligible for funding under this section because the dis-
25 trict meets the requirements of this subsection shall receive
26 under this section for each membership pupil in the district or
27 public school academy who met the income eligibility criteria for

1 free breakfast, lunch, or milk in the immediately preceding
2 fiscal year, as determined and reported as described in subsec-
3 tion (1), an amount per pupil equal to 5.75% of the sum of the
4 district's foundation allowance or public school academy's per
5 pupil allocation under section 20, plus ~~—, each fiscal year for~~
6 ~~1999-2000 and 2000-2001 only,~~ the amount of the district's per
7 pupil allocation under section 20j(2), not to exceed \$6,500.00
8 adjusted by the dollar amount of the difference between the basic
9 foundation allowance under section 20 for the current state
10 fiscal year and \$5,000.00.

11 (13) Beginning in ~~1999-2000~~ 2001-2002, the total amount
12 allocated under this section for a fiscal year shall be increased
13 from the total amount allocated under this section for the imme-
14 diately preceding fiscal year by the same percentage as the per-
15 centage increase in the amount of the basic foundation allowance
16 under section 20 for that fiscal year from the amount of the
17 basic foundation allowance under section 20 for the immediately
18 preceding fiscal year.

19 (14) As used in this section, "at-risk pupil" means a pupil
20 for whom the district has documentation that the pupil meets at
21 least 2 of the following criteria: is a victim of child abuse or
22 neglect; is below grade level in English language and communica-
23 tion skills or mathematics; is a pregnant teenager or teenage
24 parent; is eligible for a federal free or reduced-price lunch
25 subsidy; has atypical behavior or attendance patterns; or has a
26 family history of school failure, incarceration, or substance
27 abuse. For pupils for whom the results of at least the

1 applicable Michigan education assessment program (MEAP) test have
2 been received, at-risk pupil also includes a pupil who does not
3 meet the other criteria under this subsection but who did not
4 achieve at least a score of moderate on the most recent MEAP
5 reading test for which results for the pupil have been received,
6 did not achieve at least a score of moderate on the most recent
7 MEAP mathematics test for which results for the pupil have been
8 received, or ~~achieved less than 50% of the objectives~~ DID NOT
9 ACHIEVE AT LEAST A SCORE OF NOVICE on the most recent MEAP
10 science test for which results for the pupil have been received.
11 For pupils in grades K-3, at-risk pupil also includes a pupil who
12 is at risk of not meeting the district's core academic curricular
13 objectives in English language, communication skills, or
14 mathematics.

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

22 (2) For a school building to be eligible for funding under
23 this section, the school building must operate at least 1 of
24 grades K to 3; the school building must be operated by a district
25 that operates all of grades K to 12 and that receives funds under
26 section 31a; and at least 50% of the actual pupils enrolled in
27 the school building in the immediately preceding fiscal year must

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1 have been eligible for free lunch, as determined under the
2 RICHARD B. RUSSELL national school lunch act, chapter 281, 60
3 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to
4 1766b, 1769, 1769b to 1769c, and 1769f to 1769h, and reported to
5 the department not later than October 31 of the immediately pre-
6 ceding fiscal year and adjusted not later than December 31 of the
7 immediately preceding fiscal year.

8 (3) Not more than 25% of the total allocation under subsec-
9 tion (1) may be paid to any 1 particular district. The depart-
10 ment shall make allocations under subsection (1) to at least 12
11 districts, and the districts shall be geographically diverse.

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

22 (5) Funding to districts under this section for ~~1998-99~~
23 1999-2000 is intended to be for the ~~first~~ SECOND of ~~4~~ 5 years
24 of funding, ~~and~~ funding to districts under this section for
25 ~~1999-2000~~ 2000-2001 is intended to be for the ~~second~~ THIRD of
26 ~~4~~ 5 years of funding, FUNDING TO DISTRICTS UNDER THIS SECTION
27 FOR 2001-2002 IS INTENDED TO BE FOR THE FOURTH OF 5 YEARS OF

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1 FUNDING, AND FUNDING UNDER THIS SECTION FOR 2002-2003 IS INTENDED
2 TO BE FOR THE FIFTH OF 5 YEARS OF FUNDING.

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

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

26 (2) The amounts allocated under this section shall be used
27 to pay the amount necessary to reimburse districts for 6.0127% of

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1 the necessary costs of the state mandated portion of the school
2 lunch programs provided by those districts. The amount due to
3 each district under this section shall be computed by the depart-
4 ment using the methods of calculation adopted by the Michigan
5 supreme court in the consolidated cases known as Durant v State
6 of Michigan, Michigan supreme court docket no. 104458-104492.

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

19 (4) ~~The 1998-99 payment to each district under this section~~
20 ~~includes reimbursement for both 1997-98 and 1998-99, and the por-~~
21 ~~tion of the 1998-99 payment that is attributable to reimbursement~~
22 ~~for 1997-98 shall be made within 60 days after the effective date~~
23 ~~of this section.~~ BEGINNING IN 2000-2001, NOTWITHSTANDING SECTION
24 17B, PAYMENTS TO INTERMEDIATE DISTRICTS AND OTHER ELIGIBLE ENTI-
25 TIES UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY
26 THE DEPARTMENT.

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1 Sec. 32. (1) From the state school aid fund appropriation
2 in section 11, there is allocated ~~each fiscal year~~ for
3 1999-2000, ~~and for 2000-2001~~ an amount not to exceed
4 \$5,000,000.00, AND THERE IS ALLOCATED EACH FISCAL YEAR FOR
5 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO
6 EXCEED \$27,500,000.00, for ~~competitive~~ grants under this sec-
7 tion to eligible districts AND TO PUBLIC SCHOOL ACADEMIES LOCATED
8 WITHIN ELIGIBLE DISTRICTS for pilot reading improvement programs
9 for pupils in grades K to 3 AND OTHER PURPOSES UNDER THIS
10 SECTION. FROM THE GENERAL FUND APPROPRIATION IN SECTION 11,
11 THERE IS ALLOCATED EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002,
12 AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$2,500,000.00 FOR THE
13 PURPOSES OF SUBSECTION (9).

14 (2) ~~To~~ EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (10), TO
15 be eligible for a grant under this section, a district must have
16 HAD at least 1,500 pupils in membership IN 1998-99, and ~~at least~~
17 ~~8% of the pupils enrolled~~ THE NUMBER OF PUPILS in the district
18 ~~must~~ THAT have been determined to have a specific learning dis-
19 ability according to R 340.1713 of the Michigan administrative
20 code, AS DETERMINED IN THE DECEMBER 1, 1998 HEAD COUNT REQUIRED
21 UNDER THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, TITLE VI
22 OF PUBLIC LAW 91-230, MUST EQUAL OR EXCEED 8% OF THE DISTRICT'S
23 MEMBERSHIP. IN ADDITION, BEGINNING WITH 2000-2001, A DISTRICT IS
24 ELIGIBLE FOR A GRANT UNDER THIS SECTION IF THE DISTRICT HAD AT
25 LEAST 1,500 PUPILS IN MEMBERSHIP IN 1998-99 AND IF NOT MORE THAN
26 41% OF THE DISTRICT'S PUPILS WHO TOOK THE SPRING 1999 FOURTH
27 GRADE MEAP READING TEST ACHIEVED A SCORE OF AT LEAST

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1 SATISFACTORY. FOR A PUBLIC SCHOOL ACADEMY TO BE ELIGIBLE FOR A
2 GRANT UNDER THIS SECTION, THE PUBLIC SCHOOL ACADEMY MUST BE
3 LOCATED IN A DISTRICT THAT IS ELIGIBLE UNDER THIS SUBSECTION.

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

6 (a) The program shall include assessment of reading skills
7 of pupils in grades K to 3 to identify those pupils who are read-
8 ing below grade level and must provide special reading assistance
9 for these pupils.

10 (b) The program shall be a research-based structured reading
11 program.

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

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

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

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

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

7 (6) Not more than 25% of the ~~total allocation~~ ALLOCATIONS under
8 this section, EXCLUDING PAYMENTS MADE UNDER SUBSECTION (10), may be paid
9 to any 1 particular district OR PUBLIC SCHOOL
10 ACADEMY. The department shall ensure that the districts AND
11 PUBLIC SCHOOL ACADEMIES receiving grants are geographically
12 diverse.

13 (7) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLO-
14 CATED TO THE DEPARTMENT EACH FISCAL YEAR FOR 2000-2001, FOR
15 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$250,000.00
16 FOR THE GRANT REVIEW PROCESS AND GRANT ADMINISTRATION UNDER THIS
17 SECTION.

18 (8) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLO-
19 CATED EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR
20 2002-2003 AN AMOUNT NOT TO EXCEED \$2,000,000.00 FOR THE CREATION
21 AND ADMINISTRATION BY ELIGIBLE DISTRICTS AND PUBLIC SCHOOL ACADE-
22 MIES OF AN EDUCATIONAL SERVICE PROGRAM FOCUSING ON ASSESSING AND
23 BUILDING ESSENTIAL COGNITIVE AND PERCEPTUAL LEARNING ABILITIES.

24 (9) FROM THE GENERAL FUND MONEY ALLOCATED IN SUBSECTION (1),
25 THERE IS ALLOCATED TO THE DEPARTMENT EACH FISCAL YEAR FOR
26 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO
27 EXCEED \$2,500,000.00 FOR THE DEVELOPMENT AND DISSEMINATION OF
28 READ, EDUCATE, AND DEVELOP YOUTH (READY) KITS TO PARENTS OF

1 PRESCHOOL AND KINDERGARTEN CHILDREN TO PROVIDE THESE PARENTS
2 WITH INFORMATION ABOUT HOW THEY CAN PREPARE THEIR CHILDREN FOR
3 READING SUCCESS. FOR 2000-2001 ONLY, THIS MONEY SHALL BE ALLOCATED
AS FOLLOWS:

4 (A) NOT MORE THAN \$1,300,000.00 SHALL BE
5 USED TO SUPPLEMENT THE FUNDS APPROPRIATED IN THE DEPARTMENT'S
6 BUDGET FOR THE COMPLETION OF THE DEVELOPMENT AND DISSEMINATION OF
7 READY KITS.

8 (B) NOT MORE THAN
9 \$1,200,000.00 EACH FISCAL YEAR SHALL BE USED TO INCREASE THE
10 NUMBER OF READY KITS DEVELOPED AND DISSEMINATED FROM 20,000 PER
11 MONTH TO 30,000 PER MONTH.

12 (10) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLO-
13 CATED EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR
14 2002-2003 AN AMOUNT NOT TO EXCEED \$15,000,000.00 FOR PROVIDING
15 GRANTS TO DISTRICTS AND PUBLIC SCHOOL ACADEMIES WITH SPECIAL EDU-
16 CATION MEMBERSHIP THAT IS AT LEAST 10% OF THE DISTRICT'S OR
17 PUBLIC SCHOOL ACADEMY'S TOTAL MEMBERSHIP IN 1998-99. GRANTS
18 UNDER THIS SUBSECTION ARE TO BE AWARDED TO DISTRICTS AND PUBLIC
19 SCHOOL ACADEMIES THAT ARE ELIGIBLE UNDER THIS SUBSECTION ON AN
20 EQUAL BASIS BASED ON SPECIAL EDUCATION MEMBERSHIP ONLY, AND SHALL
21 BE EXPENDED FOR PROVIDING STUDENT INTERVENTION PROGRAMS CONDUCTED
22 IN CONJUNCTION WITH THE DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S
23 EXISTING READING INSTRUCTION PROGRAM. THE GOAL OF THE NEW PRO-
24 GRAM SHALL BE TO REDUCE THE ELIGIBLE DISTRICT'S OR PUBLIC SCHOOL
25 ACADEMY'S NUMBER OF PUPILS CATEGORIZED AS LEARNING DISABLED. A
26 DISTRICT OR PUBLIC SCHOOL ACADEMY DOES NOT HAVE TO MEET THE

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1 ELIGIBILITY REQUIREMENTS UNDER SUBSECTION (2) TO BE ELIGIBLE FOR
2 FUNDING UNDER THIS SUBSECTION.

3 (11) ~~-(7)-~~ A district OR PUBLIC SCHOOL ACADEMY receiving
4 funds under this section, EXCEPT FOR FUNDS UNDER SUBSECTIONS (8)
5 AND (10), shall use the funds for reading improvement programs
6 described in subsection (3). A district OR PUBLIC SCHOOL ACADEMY
7 receiving funds under this section shall provide at least a 25%
8 local match from local resources FOR FUNDS RECEIVED UNDER THIS
9 SECTION OTHER THAN FUNDS RECEIVED UNDER SUBSECTION (10). This
10 matching requirement may be satisfied through in-kind services.

11 (12) ~~-(8)- From~~ FOR 1999-2000 ONLY, FROM the funding allo-
12 cated under this section, at least \$250,000.00 shall be used for
13 grants to districts OR PUBLIC SCHOOL ACADEMIES for reading recov-
14 ery programs. A district OR PUBLIC SCHOOL ACADEMY receiving a
15 grant under this subsection shall use the funds to implement the
16 reading recovery curriculum for the first time in 1 or more of
17 grades K to 3 in 1 or more school buildings.

18 (13) ~~-(9)-~~ Funding to districts AND PUBLIC SCHOOL ACADEMIES
19 under this section for 1999-2000 is intended to be for the first
20 of 4 years of funding, ~~and~~ funding to districts AND PUBLIC
21 SCHOOL ACADEMIES under this section for 2000-2001 is intended to
22 be for the second of 4 years of funding, FUNDING TO DISTRICTS AND
23 PUBLIC SCHOOL ACADEMIES UNDER THIS SECTION FOR 2001-2002 IS
24 INTENDED TO BE FOR THE THIRD OF 4 YEARS OF FUNDING, AND FUNDING
25 TO DISTRICTS AND PUBLIC SCHOOL ACADEMIES UNDER THIS SECTION FOR
26 2002-2003 IS INTENDED TO BE FOR THE FOURTH OF 4 YEARS OF
27 FUNDING.

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1 (14) ~~(10)~~ A district OR PUBLIC SCHOOL ACADEMY receiving
2 ~~funding~~ FUNDS under this section shall report to the depart-
3 ment, in the form and manner prescribed by the department, on the
4 results achieved by the reading improvement program. This report
5 shall include a description of how pupils' reading skills are
6 assessed and evaluated. Not later than September 1 ~~, 2000, and~~
7 ~~annually thereafter~~ OF EACH FISCAL YEAR, the department shall
8 submit a report to the legislature, THE STATE BUDGET DIRECTOR,
9 and the senate and house fiscal agencies detailing the results of
10 the pilot reading improvement programs. It is the intent of the
11 legislature that further funding for special reading programs
12 will reflect the results achieved in these pilot programs.

13 (15) BEGINNING IN 2000-2001, NOTWITHSTANDING SECTION 17B,
14 PAYMENTS UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETER-
15 MINED BY THE DEPARTMENT.

16 (16) IF THE MAXIMUM AMOUNT APPROPRIATED UNDER THIS SECTION
17 EXCEEDS THE AMOUNT NECESSARY TO FULLY FUND ALLOCATIONS UNDER THIS
18 SECTION, THAT EXCESS AMOUNT SHALL NOT BE EXPENDED IN THAT STATE
19 FISCAL YEAR BUT SHALL INSTEAD BE CARRIED FORWARD TO THE SUCCEED-
20 ING FISCAL YEAR AND ADDED TO ANY FUNDS APPROPRIATED FOR THAT
21 FISCAL YEAR FOR EXPENDITURE IN THAT FISCAL YEAR.

22 Sec. 36. (1) From the state school aid fund money appropri-
23 ated in section 11, there is allocated an amount not to exceed
24 \$55,000,000.00 ~~each fiscal year for 1998-99,~~ FOR 1999-2000, and
25 AN AMOUNT NOT TO EXCEED \$67,500,000.00 EACH FISCAL YEAR FOR
26 2000-2001, 2001-2002, AND 2002-2003 for school readiness grants
27 to enable eligible districts, as determined under section 37, to

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1 develop or expand, in conjunction with whatever federal funds may
2 be available, including, but not limited to, federal funds under
3 title I of the elementary and secondary education act of 1965,
4 Public Law 89-10, 108 Stat. 3519, chapter 1 of title I of the
5 Hawkins-Stafford elementary and secondary school improvement
6 amendments of 1988, Public Law 89-10, 102 Stat. 140, and the head
7 start act, subchapter B of chapter 8 of subtitle A of title VI of
8 the omnibus budget reconciliation act of 1981, Public Law 97-35,
9 comprehensive compensatory programs designed to improve the read-
10 iness and subsequent achievement of educationally disadvantaged
11 children as defined by the department who will be at least 4, but
12 less than 5 years of age, as of December 1 of the school year in
13 which the programs are offered, and who show evidence of 2 or
14 more risk factors as defined in the state board report entitled
15 "children at risk" that was adopted by the state board on April
16 5, 1988. A comprehensive compensatory program funded under this
17 section shall include an age-appropriate educational curriculum,
18 nutritional services, health screening for participating chil-
19 dren, a plan for parent and legal guardian involvement, and pro-
20 vision of referral services for families eligible for community
21 social services. In addition, from the general fund money appro-
22 priated in section 11, there is allocated ~~an amount not to~~
23 ~~exceed \$200,000.00 for 1998-99 for the purposes of subsection (2)~~
24 ~~and~~ an amount not to exceed \$5,200,000.00 ~~each fiscal year~~ for
25 1999-2000, ~~and~~ AN AMOUNT NOT TO EXCEED \$20,200,000.00 FOR
26 2000-2001, AN AMOUNT NOT TO EXCEED \$25,200,000.00 FOR 2001-2002,

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1 AND AN AMOUNT NOT TO EXCEED \$30,200,000.00 FOR 2002-2003 for the
2 purposes of subsections (2) and (3).

3 (2) From the general fund allocation in subsection (1),
4 there is allocated each fiscal year for ~~1998-99,~~ 1999-2000,
5 ~~and~~ 2000-2001, 2001-2002, AND 2002-2003 an amount not to exceed
6 \$200,000.00 for a competitive grant to continue a longitudinal
7 evaluation of children who have participated in the Michigan
8 school readiness program.

9 (3) From the general fund allocation in subsection (1),
10 there is allocated ~~each fiscal year~~ for 1999-2000 ~~and~~
11 ~~2000-2001~~ an amount not to exceed \$5,000,000.00, FOR 2000-2001
12 AN AMOUNT NOT TO EXCEED \$20,000,000.00, FOR 2001-2002 AN AMOUNT
13 NOT TO EXCEED \$25,000,000.00, AND FOR 2002-2003 AN AMOUNT NOT TO
14 EXCEED \$30,000,000.00 under this subsection to expand current
15 school readiness programs and head start programs to operate a
16 full day. The funds shall be allocated through a competitive
17 grant process to eligible districts that receive funding under
18 subsection (1), to eligible public or nonprofit entities or agen-
19 cies that receive funding for school readiness programs under the
20 department appropriations act, or to eligible head start funded
21 programs. The department shall determine the competitive grant
22 criteria. The department may accept available federal funds from
23 the family independence agency to support the program under this
24 subsection. These federal funds include, but are not limited to,
25 federal temporary assistance to needy families funds.

26 (4) A district, entity, or agency receiving funding under
27 subsection (3) that offers head start or school readiness

1 programs may use the funds to expand the program to operate a
2 full day.

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

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

19 (7) A district receiving a grant under this section may con-
20 tract for the provision of the comprehensive compensatory program
21 or full day school readiness program and retain for administra-
22 tive services an amount equal to not more than 5% of the grant
23 amount.

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

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1 Sec. 36a. (1) From the general fund appropriation in
2 section 11, there is allocated an amount not to exceed
3 \$2,000,000.00 each fiscal year ~~for 1998-99,~~ for 1999-2000,
4 ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 to the
5 department for grants for community-based collaborative preven-
6 tion services designed to foster positive parenting skills;
7 improve parent/child interaction, especially for children 0-3
8 years of age; promote access to needed community services;
9 increase local capacity to serve families at risk; improve school
10 readiness; and support healthy family environments that discour-
11 age alcohol, tobacco, and other drug use. This appropriation is
12 to fund secondary prevention programs as defined by the
13 children's trust fund for the prevention of child abuse and
14 neglect.

15 (2) The funds allocated under subsection (1) shall be dis-
16 tributed through a joint request for proposals process estab-
17 lished by the department in conjunction with the children's trust
18 fund and the state's interagency systems reform workgroup.
19 Projects funded with grants awarded under this section shall meet
20 all of the following:

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

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

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

4 (3) From the general fund appropriation in section 11, there
5 is allocated an amount not to exceed \$700,000.00 for 1999-2000
6 ONLY to the department for grants to districts, intermediate dis-
7 tricts, and multipurpose collaborative boards for the purpose of
8 collaborative community efforts to increase parent involvement in
9 their children's education and to enhance parent education pro-
10 grams regarding the role of parents as their children's first
11 teacher and the importance of parental involvement in preparing
12 children for school.

13 (4) The funds allocated under subsection (3) shall be dis-
14 tributed by the department on a competitive grant basis. The
15 grants shall be for programs for families with preschool children
16 from birth to age 5. The maximum grant award shall not exceed
17 \$100,000.00. Grant awards shall be matched on a 1-to-1 ratio
18 with local funding. The department shall report to the state
19 budget office and to the house and senate appropriations commit-
20 tees the total applications received, the grants awarded, and the
21 programs proposed.

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

24 Sec. 39. (1) The tentative allocation for each fiscal year
25 to each eligible district under section 36 shall be determined by
26 multiplying the number of children determined in section 38 or
27 the number of children the district indicates it will be able to

1 serve under section 37(2)(c), whichever is less, by \$3,100.00 OR,
2 BEGINNING IN 2000-2001, BY \$3,300.00 and shall be distributed
3 among districts in decreasing order of concentration of eligible
4 children as determined by section 38 until the money allocated in
5 section 36 is distributed.

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

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

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

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

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

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

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

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1 writing, or comprehension of pupils of limited English-speaking
2 ability.

3 Sec. 51a. (1) From the appropriation in section 11, ~~there~~
4 ~~is allocated for 1998-99 an amount not to exceed \$735,059,400.00~~
5 ~~from state sources and all available federal funding under sec-~~
6 ~~tions 611 to 619 of part B of the individuals with disabilities~~
7 ~~education act, title VI of Public Law 91-230, 20 U.S.C. 1411 to~~
8 ~~1419, estimated at \$120,000,000.00, plus any carryover federal~~
9 ~~funds from previous year appropriations;~~ there is allocated for
10 1999-2000 an amount not to exceed ~~\$789,643,900.00~~
11 \$778,550,900.00 from state sources and all available federal
12 funding, estimated at \$120,000,000.00, plus any carryover federal
13 funds from previous year appropriations; ~~and~~ there is allocated
14 for 2000-2001 an amount not to exceed ~~\$846,252,600.00~~
15 \$755,415,500.00 from state sources and all available federal
16 funding, estimated at \$120,000,000.00, plus any carryover federal
17 funds from previous year appropriations; THERE IS ALLOCATED FOR
18 2001-2002 AN AMOUNT NOT TO EXCEED \$818,122,100.00 FROM STATE
19 SOURCES AND ALL AVAILABLE FEDERAL FUNDING, ESTIMATED AT
20 \$120,000,000.00, PLUS ANY CARRYOVER FEDERAL FUNDS FROM PREVIOUS
21 YEAR APPROPRIATIONS; AND THERE IS ALLOCATED FOR 2002-2003 AN
22 AMOUNT NOT TO EXCEED \$879,641,300.00 FROM STATE SOURCES AND ALL
23 AVAILABLE FEDERAL FUNDING, ESTIMATED AT \$120,000,000.00, PLUS ANY
24 CARRYOVER FEDERAL FUNDS FROM PREVIOUS YEAR APPROPRIATIONS. The
25 allocations under this subsection are for the purpose of reim-
26 bursing districts and intermediate districts for special
27 education programs, services, and special education personnel as

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1 prescribed in article 3 of the revised school code, MCL 380.1701
2 to 380.1766; net tuition payments made by intermediate districts
3 to the Michigan schools for the deaf and blind; and special edu-
4 cation programs and services for pupils who are eligible for spe-
5 cial education programs and services according to statute or
6 rule. For meeting the costs of special education programs and
7 services not reimbursed under this article, a district or inter-
8 mediate district may use money in general funds or special educa-
9 tion funds, not otherwise restricted, or contributions from dis-
10 tricts to intermediate districts, tuition payments, gifts and
11 contributions from individuals, or federal funds that may be
12 available for this purpose, as determined by the intermediate
13 district plan prepared pursuant to article 3 of the revised
14 school code, MCL 380.1701 to 380.1766.

15 (2) From the funds allocated under subsection (1), there is
16 allocated ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR
17 2001-2002, AND FOR 2002-2003 the amount necessary, estimated at
18 ~~\$622,459,400.00 for 1998-99,~~ \$656,800,000.00 for 1999-2000,
19 ~~and \$734,696,200.00~~ \$128,588,600.00 for 2000-2001,
20 \$139,234,600.00 FOR 2001-2002, AND \$150,764,100.00 FOR 2002-2003,
21 for payments toward reimbursing districts and intermediate dis-
22 tricts for 28.6138% of total approved costs of special education,
23 excluding costs reimbursed under section 53a, and 70.4165% of
24 total approved costs of special education transportation.

25 Allocations under this subsection shall be made as follows:

26 (a) The initial amount allocated to a district under this
27 subsection toward fulfilling the specified percentages shall be

1 calculated by multiplying the district's special education pupil
2 membership, excluding pupils described in subsection (12), times
3 the sum of the foundation allowance under section 20 of the
4 pupil's district of residence plus ~~—, each fiscal year for~~
5 ~~1999-2000 and 2000-2001 only,~~ the amount of the district's per
6 pupil allocation under section 20j(2), not to exceed \$6,500.00
7 adjusted by the dollar amount of the difference between the basic
8 foundation allowance under section 20 for the current fiscal year
9 and \$5,000.00, or, for a special education pupil in membership in
10 a district that is a public school academy or university school,
11 times an amount equal to the amount per membership pupil calcu-
12 lated under section 20(6). For an intermediate district, the
13 amount allocated under this subdivision toward fulfilling the
14 specified percentages shall be an amount per special education
15 membership pupil, excluding pupils described in subsection (12),
16 and shall be calculated in the same manner as for a district,
17 using the foundation allowance under section 20 of the pupil's
18 district of residence, not to exceed \$6,500.00 adjusted by the
19 dollar amount of the difference between the basic foundation
20 allowance under section 20 for the current fiscal year and
21 \$5,000.00, and ~~—, each fiscal year for 1999-2000 and 2000-2001~~
22 ~~only,~~ that district's per pupil allocation under
23 section 20j(2).

24 (b) After the allocations under subdivision (a), districts
25 and intermediate districts for which the payments under
26 subdivision (a) do not fulfill the specified percentages shall be

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1 paid the amount necessary to achieve the specified percentages
2 for the district or intermediate district.

3 (3) From the funds allocated under subsection (1), there is
4 allocated ~~each fiscal year for 1998-99,~~ for 1999-2000, ~~and for~~
5 ~~2000-2001~~ the amount necessary, estimated at ~~-\$34,860,300.00 for~~
6 ~~1998-99, \$34,150,000.00 for 1999-2000, and \$30,926,000.00 for~~
7 ~~2000-2001,~~ \$38,729,000.00 to make payments to districts and
8 intermediate districts under this subsection. If the amount
9 allocated to a district or intermediate district for ~~1998-99,~~
10 ~~1999-2000, or 2000-2001~~ A FISCAL YEAR under subsection (2)(b) is
11 less than the sum of the amounts allocated to the district or
12 intermediate district for 1996-97 under sections 52 and 58, there
13 is allocated to the district or intermediate district for
14 ~~1998-99, for 1999-2000, or for 2000-2001 or all of them as~~
15 ~~applicable,~~ THE FISCAL YEAR an amount equal to that difference,
16 adjusted by applying the same proration factor that was used in
17 the distribution of funds under section 52 in 1996-97 as adjusted
18 to the district's or intermediate district's necessary costs of
19 special education used in calculations for ~~1998-99, 1999-2000,~~
20 ~~or 2000-2001~~ THE FISCAL YEAR. This adjustment is to reflect
21 reductions in special education program operations between
22 1996-97 and ~~1998-99, 1999-2000, or 2000-2001, as applicable~~
23 SUBSEQUENT FISCAL YEARS. BEGINNING IN 2000-2001, ADJUSTMENTS FOR
24 REDUCTIONS IN SPECIAL EDUCATION PROGRAM OPERATIONS SHALL BE MADE
25 IN A MANNER DETERMINED BY THE DEPARTMENT AND SHALL INCLUDE
26 ADJUSTMENTS FOR PROGRAM SHIFTS.

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

20 (5) State funds shall be allocated on a total approved cost
21 basis. Federal funds shall be allocated under applicable federal
22 requirements, except that an amount not to exceed \$3,500,000.00
23 each fiscal year may be allocated by the department ~~for~~
24 ~~1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND
25 FOR 2002-2003 to districts or intermediate districts on a compet-
26 itive grant basis for programs, equipment, and services that the

1 department determines to be designed to benefit or improve
2 special education on a statewide scale.

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

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

18 (a) "Total approved costs of special education" shall be
19 determined in a manner specified by the department and may
20 include indirect costs, but shall not exceed 115% of approved
21 direct costs for section 52 and section 53a programs. The total
22 approved costs include salary and other compensation for all
23 approved special education personnel for the program, including
24 payments for social security and medicare and public school
25 employee retirement system contributions. The total approved
26 costs do not include salaries or other compensation paid to
27 administrative personnel who are not special education personnel

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1 as defined in section 6 of the revised school code, MCL 380.6.
2 Costs reimbursed by federal funds, other than those federal funds
3 included in the allocation made under this article, are not
4 included. Special education approved personnel not utilized full
5 time in the evaluation of students or in the delivery of special
6 education programs, ancillary, and other related services shall
7 be reimbursed under this section only for that portion of time
8 actually spent providing these programs and services, with the
9 exception of special education programs and services provided to
10 youth placed in child caring institutions or juvenile detention
11 programs approved by the department to provide an on-grounds edu-
12 cation program.

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

25 (8) From the allocation in subsection (1), there is allo-
26 cated each fiscal year ~~for 1998-99,~~ for 1999-2000, ~~and~~ for
27 2000-2001, FOR 2001-2002, AND FOR 2002-2003 an amount not to

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1 exceed \$15,313,900.00 each fiscal year to intermediate
2 districts. The payment under this subsection to each intermedi-
3 ate district shall be equal to the amount of the 1996-97 alloca-
4 tion to the intermediate district under subsection (6) of this
5 section as in effect for 1996-97.

6 (9) A pupil who is enrolled in a full-time special education
7 program conducted or administered by an intermediate district or
8 a pupil who is enrolled in the Michigan schools for the deaf and
9 blind shall not be included in the membership count of a dis-
10 trict, but shall be counted in membership in the intermediate
11 district of residence.

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

17 (11) If a district or intermediate district uses money
18 received under this section for a purpose other than the purpose
19 or purposes for which the money is allocated, the department may
20 require the district or intermediate district to refund the
21 amount of money received. Money that is refunded shall be depos-
22 ited in the state treasury to the credit of the state school aid
23 fund.

24 (12) From the funds allocated in subsection (1), there is
25 allocated each fiscal year ~~for 1998-99,~~ for 1999-2000, ~~and~~
26 for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 the amount
27 necessary, estimated at ~~\$10,087,800.00 for 1998-99, and~~

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1 \$10,600,000.00 for 1999-2000, ~~and \$11,178,400.00~~ \$7,676,900.00
2 for 2000-2001, \$8,059,800.00 FOR 2001-2002, AND \$8,301,800.00 FOR
3 2002-2003 to pay the foundation allowances for pupils described
4 in this subsection. The allocation to a district under this sub-
5 section shall be calculated by multiplying the number of pupils
6 described in this subsection who are counted in membership in the
7 district times the sum of the foundation allowance under section
8 20 of the pupil's district of residence plus ~~, each fiscal year~~
9 ~~for 1999-2000 and 2000-2001 only,~~ the amount of the district's
10 per pupil allocation under section 20j(2), not to exceed
11 \$6,500.00 adjusted by the dollar amount of the difference between
12 the basic foundation allowance under section 20 for the current
13 fiscal year and \$5,000.00, or, for a pupil described in this sub-
14 section who is counted in membership in a district that is a
15 public school academy or university school, times an amount equal
16 to the amount per membership pupil under section 20(6). The
17 allocation to an intermediate district under this subsection
18 shall be calculated in the same manner as for a district, using
19 the foundation allowance under section 20 of the pupil's district
20 of residence, not to exceed \$6,500.00 adjusted by the dollar
21 amount of the difference between the basic foundation allowance
22 under section 20 for the current fiscal year and \$5,000.00, and
23 ~~, each fiscal year for 1999-2000 and 2000-2001 only,~~ that
24 district's per pupil allocation under section 20j(2). This sub-
25 section applies to all of the following pupils:
26 (a) Pupils described in section 53a.

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

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

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

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

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

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

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

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

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

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

24 SEC. 51C. AS REQUIRED BY THE COURT IN THE CONSOLIDATED
25 CASES KNOWN AS DURANT V THE STATE OF MICHIGAN, MICHIGAN SUPREME
26 COURT DOCKET NO. 104458-104492, FROM THE ALLOCATION UNDER SECTION
27 51A(1), THERE IS ALLOCATED FOR 2000-2001, FOR 2001-2002, AND FOR

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1 2002-2003 THE AMOUNT NECESSARY, ESTIMATED AT \$546,918,100.00 FOR
2 2000-2001, \$592,395,800.00 FOR 2001-2002, AND \$641,663,500.00 FOR
3 2002-2003, FOR PAYMENTS TO REIMBURSE DISTRICTS FOR 28.6138% OF
4 TOTAL APPROVED COSTS OF SPECIAL EDUCATION EXCLUDING COSTS REIM-
5 BURSED UNDER SECTION 53A, AND 70.4165% OF TOTAL APPROVED COSTS OF
6 SPECIAL EDUCATION TRANSPORTATION.

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

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

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

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

26 (d) Pupils enrolled in a department-approved on-grounds
27 educational program longer than 180 days, but not longer than 233

1 days, at a residential child care institution, if the child care
2 institution offered in 1991-92 an on-grounds educational program
3 longer than 180 days but not longer than 233 days.

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

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

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

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

19 (5) FROM THE ALLOCATION IN SUBSECTION (4), THERE IS ALLO-
20 CATED EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR
21 2002-2003 AN AMOUNT NOT TO EXCEED \$150,000.00 TO AN INTERMEDIATE
22 DISTRICT THAT RECEIVED AT LEAST \$1,000,000.00 FOR 1999-2000 UNDER
23 SUBSECTION (4).

24 Sec. 54. In addition to the aid received under section 52,
25 each intermediate district shall receive an amount per pupil for
26 each pupil in attendance at the Michigan schools for the deaf and
27 blind. The amount shall be proportionate to the total

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1 instructional cost at each school. Not more than \$1,688,000.00
2 each fiscal year for ~~1998-99,~~ 1999-2000, ~~and~~ 2000-2001,
3 2001-2002, AND 2002-2003 of the allocation in section 51a(1)
4 shall be allocated under this section.

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

6 (a) "Membership" means for ~~1998-99~~ A PARTICULAR FISCAL
7 YEAR the total membership in ~~1997-98~~ THE IMMEDIATELY PRECEDING
8 FISCAL YEAR of the intermediate district and the districts con-
9 stituent to the intermediate district. ~~; means for 1999-2000 the~~
10 ~~total membership in 1998-99 of the intermediate district and the~~
11 ~~districts constituent to the intermediate district; and means for~~
12 ~~2000-2001 the total membership in 1999-2000 of the intermediate~~
13 ~~district and the districts constituent to the intermediate~~
14 ~~district.~~

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

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

25 (2) From the allocation under section 51a(1), there is allo-
26 cated an amount not to exceed ~~\$33,950,000.00 for 1998-99,~~
27 ~~\$34,150,000.00~~ \$38,720,000.00 for 1999-2000, ~~and~~

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1 ~~\$35,750,000.00~~ \$38,380,000.00 for 2000-2001, \$44,580,000.00 FOR
2 2001-2002, AND \$45,060,000.00 FOR 2002-2003 to reimburse interme-
3 diate districts levying millages for special education pursuant
4 to part 30 of the revised school code, MCL 380.1711 to 380.1743.
5 The purpose, use, and expenditure of the reimbursement shall be
6 limited as if the funds were generated by these millages and gov-
7 erned by the intermediate district plan adopted pursuant to arti-
8 cle 3 of the revised school code, MCL 380.1701 to 380.1766. As a
9 condition of receiving funds under this section, an intermediate
10 district distributing any portion of special education millage
11 funds to its constituent districts shall submit for departmental
12 approval and implement a distribution plan. ~~that utilizes at~~
13 ~~least the sum of a district's foundation allowance, as calculated~~
14 ~~under section 20, plus, each fiscal year for 1999-2000 and~~
15 ~~2000-2001 only, the amount of the district's per pupil allocation~~
16 ~~under section 20j(2), as a required local contribution.~~

17 (3) ~~Reimbursement for those millages levied in 1997-98~~
18 ~~shall be made in 1998-99 at an amount per 1997-98 membership~~
19 ~~pupil computed by subtracting from \$102,200.00 the 1997-98 tax-~~
20 ~~able value behind each membership pupil, and multiplying the~~
21 ~~resulting difference by the 1997-98 millage levied.~~
22 Reimbursement for those millages levied in 1998-99 shall be made
23 in 1999-2000 at an amount per 1998-99 membership pupil computed
24 by subtracting from \$106,800.00 the 1998-99 taxable value behind
25 each membership pupil, and multiplying the resulting difference
26 by the 1998-99 millage levied. Reimbursement for those millages
27 levied in 1999-2000 shall be made in 2000-2001 at an amount per

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1 1999-2000 membership pupil computed by subtracting from
2 ~~\$111,600.00~~ \$111,200.00 the 1999-2000 taxable value behind each
3 membership pupil, and multiplying the resulting difference by the
4 1999-2000 millage levied. REIMBURSEMENT FOR THOSE MILLAGES
5 LEVIED IN 2000-2001 SHALL BE MADE IN 2001-2002 AT AN AMOUNT PER
6 2000-2001 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM
7 \$115,200.00 THE 2000-2001 TAXABLE VALUE BEHIND EACH MEMBERSHIP
8 PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2000-2001
9 MILLAGE LEVIED. REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN
10 2001-2002 SHALL BE MADE IN 2002-2003 AT AN AMOUNT PER 2001-2002
11 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$118,900.00 THE
12 2001-2002 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTI-
13 PLYING THE RESULTING DIFFERENCE BY THE 2001-2002 MILLAGE LEVIED.
14 (4) FROM THE ALLOCATION IN SUBSECTION (2), THERE IS ALLO-
15 CATED AN AMOUNT NOT TO EXCEED \$3,370,000.00 FOR 1999-2000, AN
16 AMOUNT NOT TO EXCEED \$2,410,000.00 FOR 2000-2001, AND AN AMOUNT
17 NOT TO EXCEED \$5,830,000.00 EACH FISCAL YEAR FOR 2001-2002 AND
18 2002-2003 FOR PAYMENTS TO INTERMEDIATE DISTRICTS UNDER THIS SUB-
19 SECTION THAT DO NOT QUALIFY FOR A PAYMENT UNDER SUBSECTION (3)
20 FOR REIMBURSEMENT FOR CHANGES AS A RESULT OF REVISIONS TO THE
21 PERSONAL PROPERTY TAX DEPRECIATION TABLES. THE ALLOCATION FOR
22 1999-2000 INCLUDES PAYMENTS FOR PRIOR YEAR ADJUSTMENTS IN TAXABLE
23 VALUE FOR CHANGES AS A RESULT OF REVISIONS TO THE PERSONAL PROP-
24 ERTY TAX DEPRECIATION TABLES. TO RECEIVE A PAYMENT UNDER THIS
25 SUBSECTION, AN INTERMEDIATE DISTRICT SHALL FILE A CLAIM BY JULY 1
26 OF THE FISCAL YEAR TO THE DEPARTMENT, DETAILING THE LOSS OF
27 REVENUE TO THE INTERMEDIATE DISTRICT'S SPECIAL EDUCATION MILLAGE

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

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

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

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1 local institution of higher education and shall be coordinated by
2 the department.

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

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1 Sec. 61a. (1) From the appropriation in section 11, there
2 is allocated an amount not to exceed \$31,027,600.00 each fiscal
3 year ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR
4 2001-2002, AND FOR 2002-2003 to reimburse on an added cost basis
5 districts, except for a district that served as the fiscal agent
6 for a vocational education consortium in the 1993-94 school year,
7 and secondary area vocational-technical education centers for
8 secondary-level vocational-technical education programs, includ-
9 ing parenthood education programs, according to rules approved by
10 the superintendent. Applications for participation in the pro-
11 grams shall be submitted in the form prescribed by the
12 department. The department shall determine the added cost for
13 each vocational-technical program area. The allocation of added
14 cost funds shall be based on the type of vocational-technical
15 programs provided, the number of pupils enrolled, and the length
16 of the training period provided, and shall not exceed 75% of the
17 added cost of any program. With the approval of the department,
18 the board of a district maintaining a secondary
19 vocational-technical education program may offer the program for
20 the period from the close of the school year until September 1.
21 The program shall use existing facilities and shall be operated
22 as prescribed by rules promulgated by the superintendent.
23 (2) Except for a district that served as the fiscal agent
24 for a vocational education consortium in the 1993-94 school year,
25 districts and intermediate districts shall be reimbursed for
26 local vocational administration, shared time vocational
27 administration, and career education planning district

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1 vocational-technical administration. The definition of what
2 constitutes administration and reimbursement shall be pursuant to
3 guidelines adopted by the superintendent. Not more than
4 \$800,000.00 of the allocation in subsection (1) shall be distrib-
5 uted under this subsection.

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

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

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

~~1 and means for 2000-2001 the total membership in 1999-2000 of the
2 intermediate district and the districts constituent to the inter-
3 mediate district or the total membership in 1999-2000 of the area
4 vocational-technical program.~~

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

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

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

26 (ii) The district contributes an annual amount to the
27 operation of the program that is commensurate with the revenue

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1 that would have been raised for operation of the program if
2 millage were levied in the district for the program under sec-
3 tions 681 to 690 of the revised school code, MCL 380.681 to
4 380.690.

5 (2) From the appropriation in section 11, there is allocated
6 an amount not to exceed ~~\$9,650,000.00 each fiscal year for~~
7 ~~1998-99 and~~ \$9,970,000.00 for 1999-2000, ~~and~~ an amount not to
8 exceed ~~\$10,250,000.00~~ \$9,910,000.00 for 2000-2001, AN AMOUNT
9 NOT TO EXCEED \$11,340,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO
10 EXCEED \$11,340,000.00 FOR 2002-2003 to reimburse intermediate
11 districts and area vocational-technical education programs estab-
12 lished under section 690(3) of the revised school code,
13 MCL 380.690, levying millages for area vocational-technical edu-
14 cation pursuant to sections 681 to 690 of the revised school
15 code, MCL 380.681 to 380.690. The purpose, use, and expenditure
16 of the reimbursement shall be limited as if the funds were gener-
17 ated by those millages.

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

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1 1999-2000 shall be made in 2000-2001 at an amount per 1999-2000
2 membership pupil computed by subtracting from ~~-\$113,400.00-~~
3 \$113,600.00 the 1999-2000 taxable value behind each membership
4 pupil, and multiplying the resulting difference by the 1999-2000
5 millage levied. REIMBURSEMENT FOR THE MILLAGES LEVIED IN
6 2000-2001 SHALL BE MADE IN 2001-2002 AT AN AMOUNT PER 2000-2001
7 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$119,000.00 THE
8 2000-2001 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL, AND MULTI-
9 PLYING THE RESULTING DIFFERENCE BY THE 2000-2001 MILLAGE LEVIED.
10 REIMBURSEMENT FOR THE MILLAGES LEVIED IN 2001-2002 SHALL BE MADE
11 IN 2002-2003 AT AN AMOUNT PER 2001-2002 MEMBERSHIP PUPIL COMPUTED
12 BY SUBTRACTING FROM \$124,600.00 THE 2001-2002 TAXABLE VALUE
13 BEHIND EACH MEMBERSHIP PUPIL, AND MULTIPLYING THE RESULTING DIF-
14 FERENCE BY THE 2001-2002 MILLAGE LEVIED.

15 (4) FROM THE ALLOCATION IN SUBSECTION (2), THERE IS ALLO-
16 CATED AN AMOUNT NOT TO EXCEED \$750,000.00 FOR 1999-2000, AN
17 AMOUNT NOT TO EXCEED \$530,000.00 FOR 2000-2001, AND AN AMOUNT NOT
18 TO EXCEED \$1,290,000.00 EACH FISCAL YEAR FOR 2001-2002 AND
19 2002-2003 FOR PAYMENTS TO INTERMEDIATE DISTRICTS UNDER THIS SUB-
20 SECTION THAT DO NOT QUALIFY FOR A PAYMENT UNDER SUBSECTION (3)
21 FOR REIMBURSEMENT FOR CHANGES AS A RESULT OF REVISIONS TO THE
22 PERSONAL PROPERTY TAX DEPRECIATION TABLES. THE ALLOCATION FOR
23 1999-2000 INCLUDES PAYMENTS FOR PRIOR YEAR ADJUSTMENTS IN TAXABLE
24 VALUE FOR CHANGES AS A RESULT OF REVISIONS TO THE PERSONAL PROP-
25 ERTY TAX DEPRECIATION TABLES. TO RECEIVE A PAYMENT UNDER THIS
26 SUBSECTION, AN INTERMEDIATE DISTRICT SHALL FILE A CLAIM BY JULY 1
27 OF THE FISCAL YEAR TO THE DEPARTMENT, DETAILING THE LOSS OF

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1 REVENUE TO THE INTERMEDIATE DISTRICT'S VOCATIONAL EDUCATION
2 MILLAGE ATTRIBUTABLE TO THOSE REVISIONS. THE AMOUNT OF THE PAY-
3 MENT UNDER THIS SUBSECTION TO EACH INTERMEDIATE DISTRICT SHALL BE
4 AN AMOUNT EQUAL TO THE SAME PROPORTION OF THE TOTAL AMOUNT OF
5 FUNDING AVAILABLE UNDER THIS SUBSECTION AS THE INTERMEDIATE
6 DISTRICT'S CLAIM UNDER THIS SECTION BEARS TO THE TOTAL AMOUNT OF
7 CLAIMS UNDER THIS SUBSECTION AND, NOTWITHSTANDING SECTION 121,
8 SHALL NOT BE ADJUSTED FOR PRIOR YEAR ADJUSTMENTS MORE THAN
9 2 YEARS AFTER THE END OF THE STATE FISCAL YEAR FOR WHICH PAYMENT
10 UNDER THIS SUBSECTION WAS MADE.

11 Sec. 63. (1) From the GENERAL FUND appropriation in section
12 11, there is allocated an amount not to exceed \$1,800,000.00 each
13 fiscal year for 1999-2000, ~~and~~ 2000-2001, 2001-2002, AND
14 2002-2003 for implementation of the Michigan manufacturing tech-
15 nology program for the ~~1999-2000 and 2000-2001~~ CORRESPONDING
16 school years as provided under this section.

17 (2) From the allocation in subsection (1), there is allo-
18 cated \$1,800,000.00 each fiscal year to the department, in con-
19 junction with the department of career development, to award com-
20 petitive grants for the purpose of improving manufacturing tech-
21 nology programs offered by public education agencies. The maxi-
22 mum amount of a grant under this subsection shall not exceed
23 \$50,000.00 each fiscal year for each public education agency
24 determined to be eligible for funding.

25 (3) Applications for grants under subsection (2) shall be
26 submitted in a form and manner determined by the department, in

1 conjunction with the department of career development. Criteria
2 for funding shall include all of the following:

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

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

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

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

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

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

25 (6) Grants under subsection (2) shall be awarded by the
26 department no later than May 31 before the beginning of each
27 fiscal year and paid out to the grant recipients in total no

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1 later than October 1 of the fiscal year for which the grant is
2 awarded. Funds may be used by grant recipients to support allow-
3 able expenditures in the following school year.

4 Sec. 67. (1) From the general fund appropriation in section
5 11, there is allocated an amount not to exceed \$350,000.00 each
6 fiscal year ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001,
7 FOR 2001-2002, AND FOR 2002-2003 for Michigan career preparation
8 system grants under this section.

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

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

25 ~~-(4) From the allocation in subsection (1) for 1998-99,~~
26 ~~there is allocated \$100,000.00 for 1998-99 to the department of~~
27 ~~career development to establish peer review criteria, procedures,~~

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1 ~~and standards and to provide technical assistance to local peer~~
2 ~~review committees created under section 68(4) and to the council~~
3 ~~for career preparation standards.~~

4 (4) ~~(5)~~ From the allocation in subsection (1), ~~for~~
5 ~~1999-2000 and 2000-2001,~~ there is allocated \$100,000.00 each
6 fiscal year for 1999-2000, ~~and~~ 2000-2001, 2001-2002, AND
7 2002-2003 to the department ~~of career development~~ to provide
8 technical assistance to eligible education agencies ~~, local~~ AND
9 workforce development boards. ~~, and the council for career prep-~~
10 ~~aration standards.~~

11 (5) ~~(6)~~ As used in this section and in section 68:

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

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

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

25 (ii) ~~(iii)~~ Involvement of employers in the design and
26 implementation of ~~career preparation~~ CAREER-TECHNICAL EDUCATION
27 programs.

1 (iii) ~~—(iv)—~~ A fully integrated program of academic and
2 technical education available to pupils.

3 (iv) ~~—(iv)—~~ Demonstration of an established career prepara-
4 tion system resulting in industry-validated career ladders for
5 graduates of the program, including, but not limited to, written
6 articulation agreements with postsecondary institutions to allow
7 pupils to receive advanced college placement and credit or feder-
8 ally registered apprenticeships, as applicable.

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

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

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

15 (E) ~~—(d)—~~ "Eligible education agency" means a district,
16 intermediate district, or advanced career academy that ~~—provides—~~
17 IS A PART OF A career preparation ~~—programs—~~ SYSTEM either
18 directly or under a contract with a postsecondary institution or
19 an employer as part of an approved regional career preparation
20 plan.

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

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

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1 (H) "STRATEGIC PLAN" MEANS A DEPARTMENT-APPROVED
2 COMPREHENSIVE PLAN PREPARED BY A WORKFORCE DEVELOPMENT BOARD WITH
3 INPUT FROM LOCAL REPRESENTATIVES, INCLUDING THE EDUCATION
4 ADVISORY GROUP, THAT INCLUDES CAREER PREPARATION SYSTEM GOALS AND
5 OBJECTIVES FOR THE REGION.

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

23 (2) In order to receive funding under this section, an eli-
24 gible education agency shall be a part of an approved 3-year
25 regional career preparation plan THAT IS CONSISTENT WITH THE
26 WORKFORCE DEVELOPMENT BOARD'S STRATEGIC PLAN AND IS as described

1 in this subsection. All of the following apply to a regional
2 career preparation plan:

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

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

1 (c) By majority vote, the education advisory group may
2 nominate 1 education representative, who may or may not be a
3 member of the education advisory group, for appointment to the
4 ~~local~~ workforce development board. This education representa-
5 tive shall be in addition to existing education representation on
6 the ~~local~~ workforce development board. This education repre-
7 sentative shall meet all ~~local~~ workforce development board mem-
8 bership requirements.

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

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

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

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

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

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

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

26 (e) The education advisory group shall develop a 3-year
27 regional career preparation plan CONSISTENT WITH THE WORKFORCE

1 DEVELOPMENT BOARD'S STRATEGIC PLAN and submit the plan to the
2 department for final approval. The submission to the department
3 shall also include statements signed by the chair of the educa-
4 tion advisory group and the chair of the ~~local~~ workforce devel-
5 opment board certifying that the plan has been reviewed by each
6 entity. Upon department approval, all eligible education agen-
7 cies designated in the regional career preparation plan as part
8 of the career preparation delivery system are eligible for fund-
9 ing under this section.

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

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

24 (b) Allowable costs to be funded under this section shall be
25 determined by the department. Budgets submitted by eligible edu-
26 cation agencies to the department in order to receive funding
27 shall identify funds and in-kind contributions from the regional

1 career education plan, excluding funds or in-kind contributions
2 available as a result of funding received under section 61a,
3 equal to at least 100% of anticipated funding under this
4 section. Eligible categories of allowable costs are the
5 following:

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

7 (ii) Curriculum development, including integration of aca-
8 demic and technical content, and professional development for
9 teachers directly related to career preparation.

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

11 (iv) Supplies and materials directly related to career prep-
12 aration programs.

13 (v) Work-based learning expenses for pupils, teachers, and
14 counselors.

15 (vi) Evaluation, including career competency testing and
16 peer review.

17 (vii) Career placement services.

18 (viii) Student leadership organizations integral to the
19 career preparation system.

20 (ix) Up to 10% of the allocation to an eligible education
21 agency may be expended for planning, coordination, direct over-
22 sight, and accountability for the career preparation system.

23 (c) ~~The~~ FOR 1999-2000 AND 2000-2001, THE department shall
24 calculate career preparation costs per FTE for each career clus-
25 ter, including career exploration, guidance, and counseling, by
26 dividing the allowable costs for each career cluster by the prior
27 year FTE enrollment for each career cluster. Distribution to

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1 eligible education agencies shall be the product of 50% of career
2 preparation costs per FTE times the current year FTE enrollment
3 of each career cluster. This allocation shall be distributed to
4 eligible education agencies in decreasing order of the career
5 cluster ranking described in subdivision (a) until the money
6 allocated for grant recipients in this section is distributed.
7 ~~However, beginning in 1999-2000, an individual career prepara-~~
8 ~~tion program shall not be funded under this section, regardless~~
9 ~~of career cluster ranking, if it does not attain compliance with~~
10 ~~career competency standards set by the council for career prepa-~~
11 ~~ration standards for the particular career cluster.~~ BEGINNING IN
12 2001-2002, FUNDS SHALL BE DISTRIBUTED TO ELIGIBLE EDUCATION AGEN-
13 CIES ACCORDING TO WORKFORCE DEVELOPMENT BOARD GEOGRAPHIC AREA
14 BASED UPON THE PROPORTION OF EACH WORKFORCE DEVELOPMENT BOARD
15 AREA'S K-12 PUBLIC SCHOOL MEMBERSHIP TO THE TOTAL STATE K-12
16 PUBLIC SCHOOL MEMBERSHIP.

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

26 (5) ~~(a) Peer review committees are~~ AN EDUCATION ADVISORY
27 GROUP IS responsible for assuring the quality of the career

1 preparation system. ~~A peer review committee~~ AN EDUCATION
2 ADVISORY GROUP shall review THE career preparation ~~programs to~~
3 ~~ensure compliance with career competency standards as well as~~
4 ~~other program evaluation criteria~~ SYSTEM IN ACCORDANCE WITH
5 EVALUATION CRITERIA ESTABLISHED BY THE DEPARTMENT.

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

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

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

24 (2) From the allocation in subsection (1), there is allo-
25 cated each fiscal year the amount necessary for payments to state
26 supported colleges or universities and intermediate districts
27 providing school bus driver safety instruction or driver skills

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

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

20 Sec. 81. (1) Except as otherwise provided in this section,
21 from the appropriation in section 11, there is allocated each
22 fiscal year ~~for 1998-99, and~~ for 1999-2000, ~~and~~ for
23 2000-2001, FOR 2001-2002, AND FOR 2002-2003 to the intermediate
24 districts the sum necessary, but not to exceed ~~\$79,850,000.00~~
25 ~~for 1998-99, not to exceed~~ \$83,203,700.00 for 1999-2000, ~~and~~
26 not to exceed ~~\$85,616,600.00~~ \$87,363,900.00 for 2000-2001, NOT
27 TO EXCEED \$91,732,100.00 FOR 2001-2002, AND NOT TO EXCEED

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1 \$94,484,100.00 FOR 2002-2003 to provide state aid to intermediate
2 districts under this section. ~~Except as otherwise provided in~~
3 ~~this section, there shall be allocated to each intermediate dis-~~
4 ~~trict for 1998-99 an amount equal to the amount of funding actu-~~
5 ~~ally received by the intermediate district under this subsection~~
6 ~~in 1997-98.~~ Except as otherwise provided in this section, there
7 shall be allocated to each intermediate district for 1999-2000 an
8 amount equal to 104.2% of the amount of funding actually received
9 by the intermediate district under this subsection for 1998-99.
10 Except as otherwise provided in this section, there shall be
11 allocated to each intermediate district for 2000-2001 an amount
12 equal to ~~102.9%~~ 105% of the amount of funding actually received
13 by the intermediate district under this subsection for
14 1999-2000. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THERE
15 SHALL BE ALLOCATED TO EACH INTERMEDIATE DISTRICT FOR 2001-2002 AN
16 AMOUNT EQUAL TO 105% OF THE AMOUNT OF FUNDING ACTUALLY RECEIVED
17 BY THE INTERMEDIATE DISTRICT UNDER THIS SUBSECTION FOR
18 2000-2001. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THERE
19 SHALL BE ALLOCATED TO EACH INTERMEDIATE DISTRICT FOR 2002-2003 AN
20 AMOUNT EQUAL TO 103% OF THE AMOUNT OF FUNDING ACTUALLY RECEIVED
21 BY THE INTERMEDIATE DISTRICT UNDER THIS SUBSECTION FOR 2001-2002.
22 Funding provided under this section shall be used to comply with
23 requirements of this act and the revised school code that are
24 applicable to intermediate districts, and for which funding is
25 not provided elsewhere in this act, and to provide technical
26 assistance to districts as authorized by the intermediate school
27 board.

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

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

1 election, divided by the combined total membership for the
2 current fiscal year in all of the intermediate districts that
3 participated in that consortium and their constituent districts.
4 The amount allocated to an intermediate district under this sub-
5 section for a fiscal year shall be deducted from the total allo-
6 cation for that fiscal year under this section to the intermedi-
7 ate district that was the 1993-94 fiscal agent for the
8 consortium.

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

22 (5) From the appropriation in section 11, there is allocated
23 an amount not to exceed ~~\$300,000.00 each fiscal year for 1998-99~~
24 ~~and~~ \$390,000.00 FOR 1999-2000 ~~and~~ an amount not to exceed
25 ~~\$500,000.00~~ \$360,000.00 for 2000-2001, AN AMOUNT NOT TO EXCEED
26 \$860,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED
27 \$940,000.00 FOR 2002-2003 for payments to intermediate districts

1 under this subsection for reimbursement for changes as a result
2 of revisions to the personal property tax depreciation tables.
3 To receive a payment under this subsection, an intermediate dis-
4 trict shall file a claim by July 1 of the fiscal year to the
5 department, detailing the loss of revenue to the intermediate
6 district's operational millage attributable to those revisions.
7 The amount of the payment under this subsection to each interme-
8 diate district shall be an amount equal to the same proportion of
9 the total amount of funding available under this subsection as
10 the intermediate district's claim under this subsection bears to
11 the total amount of the claims under this subsection AND, NOT-
12 WITHSTANDING SECTION 121, SHALL NOT BE ADJUSTED FOR PRIOR YEAR
13 ADJUSTMENTS MORE THAN 2 YEARS AFTER THE END OF THE STATE FISCAL
14 YEAR FOR WHICH PAYMENT UNDER THIS SUBSECTION WAS MADE.

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

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

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1 Sec. 94. From the general fund money appropriated in
2 section 11, there is allocated to the department ~~for 1998-99,~~
3 for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR
4 2002-2003 an amount not to exceed \$1,500,000.00 each fiscal year
5 to provide technical assistance to districts for school accredit-
6 ation purposes as described in section 1280 of the revised school
7 code, MCL 380.1280.

8 SEC. 94A. (1) FROM THE GENERAL FUND APPROPRIATION IN
9 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
10 \$10,000,000.00 FOR 1999-2000, AN AMOUNT NOT TO EXCEED
11 \$2,160,000.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED
12 \$2,332,000.00 FOR 2002, AND AN AMOUNT NOT TO EXCEED \$2,519,000.00
13 FOR 2002-2003 FOR PAYMENTS TO THE DATABASE FOR EDUCATIONAL PER-
14 FORMANCE AND INFORMATION CREATED PURSUANT TO EXECUTIVE ORDER.

15 (2) THE GOALS OF THE DATABASE FOR EDUCATIONAL PERFORMANCE
16 AND INFORMATION SHALL BE TO IMPROVE THE QUALITY AND QUANTITY OF
17 EDUCATIONAL DATA AVAILABLE TO TEACHERS, SCHOOL ADMINISTRATORS,
18 PARENTS, TAXPAYERS, AND OTHERS.

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

22 Sec. 99. (1) From the state school aid fund appropriation
23 in section 11, there is allocated ~~an amount not to exceed~~
24 ~~\$7,293,100.00 for 1998-99, and~~ an amount not to exceed
25 \$7,904,900.00 each fiscal year for 1999-2000, ~~and~~ 2000-2001,
26 2001-2002, AND 2002-2003 and from the general fund appropriation
27 in section 11 there is allocated an amount not to exceed

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1 \$400,000.00 each fiscal year ~~for 1998-99,~~ for 1999-2000, ~~and~~
2 ~~for~~ 2000-2001, 2001-2002, AND 2002-2003 for implementing the
3 comprehensive master plan for mathematics and science centers
4 developed by the department and approved by the state board on
5 February 17, 1993.

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

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

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

24 (5) Allocations under this section to support the activities
25 and programs of mathematics and science centers shall be continu-
26 ing support grants to all 25 established mathematics and science
27 centers and the 8 satellite extensions that were funded in

1 1996-97. Each established mathematics and science center that
2 was funded in 1996-97 shall receive an amount equal to 103% of
3 the amount it received under 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
6 department's designee to audit all records related to the program
7 for which it receives such funds. The grant recipient shall
8 reimburse the state for all disallowances found in the audit.

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

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

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

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

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

7 Sec. 101. (1) To be eligible to receive state aid under
8 this act, not later than the fifth Wednesday after the pupil mem-
9 bership count day and not later than the fifth Wednesday after
10 the supplemental count day, each district superintendent through
11 the secretary of the district's board shall file with the inter-
12 mediate superintendent a certified and sworn copy of the number
13 of pupils enrolled and in regular daily attendance in the dis-
14 trict as of the pupil membership count day and as of the supple-
15 mental count day, as applicable, for the current school year. In
16 addition, a district maintaining school during the entire year,
17 as provided under section 1561 of the revised school code, MCL
18 380.1561, shall file with the intermediate superintendent a cer-
19 tified and sworn copy of the number of pupils enrolled and in
20 regular daily attendance in the district for the current school
21 year pursuant to rules promulgated by the superintendent. Not
22 later than the seventh Wednesday after the pupil membership count
23 day and not later than the seventh Wednesday after the supplemen-
24 tal count day, the intermediate district shall transmit to the
25 department the data filed by each of its constituent districts.
26 If a district fails to file the sworn and certified copy with the
27 intermediate superintendent in a timely manner, as required under

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

19 (2) To be eligible to receive state aid under this act, not
20 later than the twenty-fourth Wednesday after the pupil membership
21 count day and not later than the twenty-fourth Wednesday after
22 the supplemental count day, an intermediate district shall submit
23 to the department, in a form and manner prescribed by the depart-
24 ment, the audited enrollment and attendance data for the pupils
25 of its constituent districts and of the intermediate district.
26 If an intermediate district fails to transmit the audited data as
27 required under this subsection, state aid due to be distributed

1 under this act shall be withheld from the defaulting intermediate
2 district immediately, beginning with the next payment after the
3 failure and continuing with each payment until the intermediate
4 district complies with this subsection. If an intermediate dis-
5 trict does not comply with this subsection by the end of the
6 fiscal year, the intermediate district forfeits the amount
7 withheld.

8 (3) Each district shall provide at least 180 days of pupil
9 instruction and the required minimum number of hours of pupil
10 instruction under section 1284 of the revised school code, MCL
11 380.1284. Except as otherwise provided in this act, a district
12 failing to hold 180 days of pupil instruction shall forfeit from
13 its total state aid allocation for each day of failure an amount
14 equal to 1/180 of its total state aid allocation. Except as oth-
15 erwise provided in this act, a district failing to comply with
16 the required minimum hours of pupil instruction shall forfeit
17 from its total state aid allocation an amount determined by
18 applying a ratio of the number of hours the district was in non-
19 compliance in relation to the required minimum number of hours.
20 A district failing to meet both the 180 days of pupil instruction
21 requirement and the minimum number of hours of pupil instruction
22 requirement shall be penalized only the higher of the 2 amounts
23 calculated under the forfeiture provisions of this subsection.
24 Not later than August 1, the board of each district shall certify
25 to the department the number of days and hours of pupil instruc-
26 tion in the previous school year. If the district did not hold
27 at least 180 days and the required minimum number of hours of

1 pupil instruction, the deduction of state aid shall be made in
2 the following fiscal year from the first payment of state school
3 aid. A district is not subject to forfeiture of funds under this
4 subsection for a fiscal year in which a forfeiture was already
5 imposed under subsection (7). Days or hours lost because of
6 strikes or teachers' conferences shall not be counted as days or
7 hours of pupil instruction. A district not having at least 75%
8 of the district's membership in attendance on any day of pupil
9 instruction shall receive state aid in that proportion of 1/180
10 that the actual percent of attendance bears to the specified
11 percentage. The superintendent shall promulgate rules for the
12 implementation of this subsection.

13 (4) The first 2 days for which pupil instruction is not pro-
14 vided because of conditions not within the control of school
15 authorities, such as severe storms, fires, epidemics, or health
16 conditions as defined by the city, county, or state health
17 authorities, shall be counted as days of pupil instruction. ~~In~~
18 ~~addition, for 1998-99 only, the department shall count as days of~~
19 ~~pupil instruction not more than 2 additional days, and shall~~
20 ~~count as hours of pupil instruction not more than 16.5 hours, for~~
21 ~~which pupil instruction was not provided in a district after June~~
22 ~~7, 1999 due to water damage resulting from a water main break.~~
23 Subsequent such days shall not be counted as days of pupil
24 instruction.

25 (5) A district shall not forfeit part of its state aid
26 appropriation because it adopts or has in existence an
27 alternative scheduling program for pupils in kindergarten if the

1 program provides at least the number of hours required for a
2 full-time equated membership for a pupil in kindergarten as pro-
3 vided under section 6(4).

4 (6) Upon application by the district for a particular fiscal
5 year, the superintendent may waive the minimum number of days of
6 pupil instruction requirement of subsection (3) for a district if
7 the district has adopted an experimental school year schedule in
8 1 or more buildings in the district if the experimental school
9 year schedule provides the required minimum number of hours of
10 pupil instruction or more and is consistent with all state board
11 policies on school improvement and restructuring. If a district
12 applies for and receives a waiver under this subsection and com-
13 plies with the terms of the waiver, for the fiscal year covered
14 by the waiver the district is not subject to forfeiture under
15 this section of part of its state aid allocation for the specific
16 building or program covered by the waiver.

17 (7) Not later than April 15 of each fiscal year, the board
18 of each district shall certify to the department the planned
19 number of days and hours of pupil instruction in the district for
20 the school year ending in the fiscal year. In addition to any
21 other penalty or forfeiture under this section, if at any time
22 the department determines that 1 or more of the following has
23 occurred in a district, the district shall forfeit in the current
24 fiscal year beginning in the next payment to be calculated by the
25 department a proportion of the funds due to the district under
26 this act that is equal to the proportion below 180 days and the

1 required minimum number of hours of pupil instruction, as
2 specified in the following:

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

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

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

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

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

24 (c) A pupil in grades 9 to 12 for whom a reduced schedule is
25 determined to be in the individual pupil's best educational
26 interest must be scheduled for a number of hours equal to at

1 least 80% of the required minimum number of hours of pupil
2 instruction to be considered a full-time equivalent pupil.

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

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

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

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1 SEC. 101B. (1) THE SCHOOL CALENDAR TASK FORCE IS CREATED TO
2 STUDY THE ISSUES SPECIFIED IN THIS SUBSECTION CONCERNING THE
3 PUBLIC SCHOOL CALENDAR. THE TASK FORCE SHALL STUDY AND REPORT
4 ITS FINDINGS TO THE LEGISLATURE, STATE BUDGET DIRECTOR, AND
5 SENATE AND HOUSE FISCAL AGENCIES ON THE FOLLOWING ISSUES:

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

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

12 (2) THE SCHOOL CALENDAR TASK FORCE SHALL CONSIST OF THE FOL-
13 LOWING 7 MEMBERS, APPOINTED BY THE GOVERNOR:

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

17 (B) ONE MEMBER REPRESENTING PUBLIC SCHOOL ADMINISTRATORS,
18 APPOINTED FROM AMONG NOMINATIONS SUBMITTED BY THE MICHIGAN ASSO-
19 CIATION OF SCHOOL ADMINISTRATORS.

20 (C) ONE MEMBER REPRESENTING THE TRAVEL MICHIGAN UNIT OF THE
21 MICHIGAN STRATEGIC FUND, APPOINTED FROM AMONG NOMINATIONS SUBMIT-
22 TED BY THE PRESIDENT OF THE MICHIGAN STRATEGIC FUND.

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

26 (E) ONE MEMBER REPRESENTING THE GENERAL PUBLIC.

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1 (F) ONE MEMBER WHO IS A K-12 TEACHER IN THIS STATE,
2 APPOINTED FROM AMONG NOMINATIONS JOINTLY SUBMITTED BY THE
3 MICHIGAN EDUCATION ASSOCIATION AND THE MICHIGAN FEDERATION OF
4 TEACHERS.

5 (G) ONE MEMBER WHO IS NOMINATED BY THE MICHIGAN CHAMBER OF
6 COMMERCE.

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

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

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

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

22 (7) A MAJORITY OF THE MEMBERS OF THE SCHOOL CALENDAR TASK
23 FORCE CONSTITUTE A QUORUM FOR THE TRANSACTION OF BUSINESS AT A
24 MEETING OF THE TASK FORCE. A MAJORITY OF THE MEMBERS PRESENT AND
25 SERVING ARE REQUIRED FOR OFFICIAL ACTION OF THE TASK FORCE.

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

4 (9) A WRITING PREPARED, OWNED, USED, IN THE POSSESSION OF,
5 OR RETAINED BY THE SCHOOL CALENDAR TASK FORCE IN THE PERFORMANCE
6 OF AN OFFICIAL FUNCTION IS SUBJECT TO THE FREEDOM OF INFORMATION
7 ACT, 1976 PA 442, MCL 15.231 TO 15.246.

8 (10) MEMBERS OF THE SCHOOL CALENDAR TASK FORCE SHALL SERVE
9 WITHOUT COMPENSATION. HOWEVER, MEMBERS OF THE TASK FORCE MAY BE
10 REIMBURSED IN ACCORDANCE WITH DEPARTMENT OF MANAGEMENT AND BUDGET
11 TRAVEL REIMBURSEMENT GUIDELINES FOR MILEAGE EXPENSES INCURRED IN
12 THE PERFORMANCE OF THEIR OFFICIAL DUTIES AS MEMBERS OF THE TASK
13 FORCE.

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

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

1 Withheld state aid payments shall be released after the
2 department approves the deficit reduction plan and ensures that
3 the budget for the current school fiscal year is balanced.

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

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

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

22 (5) If a district or intermediate district is not able to
23 comply with the provisions of this section, the district or
24 intermediate district shall submit to the department a plan to
25 eliminate its deficit. Upon approval of the plan submitted, the
26 superintendent of public instruction may continue allotment and
27 payment of funds under this act, extend the period of time in

1 which a district or intermediate district has to eliminate its
2 deficit, and set special conditions that the district or interme-
3 diate district must meet during the period of the extension.

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

10 Sec. 104a. (1) In order to receive state aid under this
11 act, a district shall comply with this section and shall adminis-
12 ter state assessments to high school pupils in the subject areas
13 of communications skills, mathematics, science, and, beginning
14 with pupils scheduled to graduate in 2000, social studies. The
15 district shall include on the pupil's high school transcript all
16 of the following:

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

20 ~~(b) If the pupil's scaled score on a subject area assess-~~
21 ~~ment falls within the range required under subsection (2) for a~~
22 ~~category established under subsection (2), an indication that the~~
23 ~~pupil has achieved state endorsement for that subject area.~~

24 (B) ~~-(c)-~~ The number of school days the pupil was in
25 attendance at school each school year during high school and the
26 total number of school days in session for each of those school
27 years.

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

15 (2) ~~(3)~~ The assessments administered for the purposes of this
16 section shall be administered to pupils during the last 30 school
17 days of grade 11. The department shall ensure that the assess-
18 ments are scored and the scores are returned to pupils, their
19 parents or legal guardians, and districts not later than the
20 beginning of the pupil's first semester of grade 12. ~~Not later~~
21 ~~than fall 1999, the~~ THE department shall arrange for those portions
22 of a pupil's assessment that cannot be scored mechanically to be
23 scored in Michigan THIS STATE by persons who are Michigan teachers,
24 retired Michigan teachers, or Michigan school administrators and who have
25 been trained in scoring the assessments. The returned scores
26 shall indicate the pupil's scaled score for each subject area
27 assessment, AND the range of scaled scores for each subject area. ,
and

~~1 the range of scaled scores required for each category established~~
~~2 under subsection (2). In reporting the scores to pupils, par-~~
~~3 ents, and schools, the department shall provide specific, mean-~~
~~4 ingful, and timely feedback on the pupil's performance on the~~
~~5 assessment.~~

~~6 (4) For each pupil who does not achieve state endorsement in~~
~~7 1 or more subject areas, the board of the district in which the~~
~~8 pupil is enrolled shall provide that there be at least 1 meeting~~
~~9 attended by at least the pupil and a member of the district's~~
~~10 staff or a local or intermediate district consultant who is pro-~~
~~11 ficient in the measurement and evaluation of pupils. The dis-~~
~~12 trict may provide the meeting as a group meeting for pupils in~~
~~13 similar circumstances. If the pupil is a minor, the district~~
~~14 shall invite and encourage the pupil's parent, legal guardian, or~~
~~15 person in loco parentis to attend the meeting and shall mail a~~
~~16 notice of the meeting to the pupil's parent, legal guardian, or~~
~~17 person in loco parentis. The purpose of this meeting and any~~
~~18 subsequent meeting under this subsection shall be to determine an~~
~~19 educational program for the pupil designed to have the pupil~~
~~20 achieve state endorsement in each subject area in which he or she~~
~~21 did not achieve state endorsement. In addition, a district may~~
~~22 provide for subsequent meetings with the pupil conducted by a~~
~~23 high school counselor or teacher designated by the pupil's high~~
~~24 school principal, and shall invite and encourage the pupil's~~
~~25 parent, legal guardian, or person in loco parentis to attend the~~
~~26 subsequent meetings. The district shall provide special programs~~
~~27 for the pupil or develop a program using the educational programs~~

1 ~~regularly provided by the district unless the board of the~~
2 ~~district decides otherwise and publishes and explains its deci-~~
3 ~~sion in a public justification report.~~

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

10 (4) ~~-(6)-~~ The department shall ensure that the length of the
11 assessments used for the purposes of this section and the com-
12 bined total time necessary to administer all of the assessments,
13 including social studies, are the shortest possible that will
14 still maintain the degree of reliability and validity of the
15 assessment results determined necessary by the department. The
16 department shall ensure that the maximum total combined length of
17 time that schools are required to set aside for administration of
18 all of the assessments used for the purposes of this section,
19 including social studies, does not exceed 8 hours. However, this
20 subsection does not limit the amount of time that individuals may
21 have to complete the assessments.

22 (5) ~~-(7)-~~ The department shall establish, schedule, and
23 arrange periodic retesting periods throughout the year for indi-
24 viduals who desire to repeat an assessment under this section.
25 The department shall coordinate the arrangements for administer-
26 ing the repeat assessments and shall ensure that the retesting is

1 made available at least within each intermediate district and, to
2 the extent possible, within each district.

3 (6) ~~-(8)-~~ A district shall provide accommodations to a pupil
4 with disabilities for the assessments required under this sec-
5 tion, as provided under section 504 of title V of the rehabilita-
6 tion act of 1973, Public Law 93-112, 29 U.S.C. 794; subtitle A of
7 title II of the Americans with disabilities act of 1990, Public
8 Law 101-336, 42 U.S.C. 12131 to 12134; and the implementing regu-
9 lations for those statutes.

10 (7) ~~-(9)-~~ For the purposes of this section, the superinten-
11 dent shall develop or select and approve assessment instruments
12 to measure pupil performance in communications skills, mathemat-
13 ics, social studies, and science. The assessment instruments
14 shall be based on the model core academic content standards
15 objectives under section 1278 of the revised school code,
16 MCL 380.1278.

17 (8) ~~-(10)-~~ Upon written request by the pupil's parent or
18 legal guardian stating that the request is being made for the
19 purpose of providing the pupil with an opportunity to qualify to
20 take 1 or more postsecondary courses as an eligible student under
21 the postsecondary enrollment options act, 1996 PA 160,
22 MCL 388.511 to 388.524, the board of a district shall allow a
23 pupil who is in at least grade 10 to take an assessment adminis-
24 tered under this section without charge at any time the district
25 regularly administers the assessment or during a retesting period
26 established under subsection ~~-(7)-~~ (5). A district is not
27 required to include in an annual education report, or in any

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1 other report submitted to the department for accreditation
2 purposes, results of assessments taken under this subsection by a
3 pupil in grade 11 or lower until the results of that pupil's
4 graduating class are otherwise reported.

5 ~~(11) All assessment instruments developed or selected and~~
6 ~~approved by the state under any statute or rule for a purpose~~
7 ~~related to K to 12 education shall be objective-oriented and con-~~
8 ~~sistent with the model core academic content standards objectives~~
9 ~~under section 1278 of the revised school code, MCL 380.1278.~~

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

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

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- 1 ~~(a) The annual pupil assessment data.~~
- 2 ~~(b) A description of the feedback provided to pupils, par-~~
3 ~~ents, and schools.~~
- 4 ~~(c) A description of any significant alterations made in the~~
5 ~~program during the period covered by the report.~~
- 6 ~~(d) Any recommendations for legislative changes to the~~
7 ~~program.~~
- 8 ~~(e) An update of the reports of the assessment advisory com-~~
9 ~~mittees of the state board.~~
- 10 (9) ~~(14)~~ A child who is a student in a nonpublic school or
11 home school may take an assessment under this section. To take
12 an assessment, a child who is a student in a home school shall
13 contact the district in which the child resides, and that dis-
14 trict shall administer the assessment, or the child may take the
15 assessment at a nonpublic school if allowed by the nonpublic
16 school. Upon request from a nonpublic school, the department
17 shall supply assessments and the nonpublic school may administer
18 the assessment.
- 19 (10) ~~(15)~~ The purpose of the assessment under this section
20 is to assess pupil performance in mathematics, science, social
21 studies, and communication arts for the purpose of improving aca-
22 demic achievement and establishing a statewide standard of
23 competency. The assessment under this section provides a common
24 measure of data that will contribute to the improvement of
25 Michigan schools' curriculum and instruction by encouraging
26 alignment with Michigan's curriculum framework standards. These

1 standards are based upon the expectations of what pupils should
2 know and be able to do by the end of grade 11.

3 (11) ~~-(16)-~~ As used in this section:

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

5 (B) "DEPARTMENT" MEANS THE DEPARTMENT OF TREASURY.

6 (C) ~~-(b)-~~ "Social studies" means geography, history, econom-
7 ics, and American government.

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

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

21 (a) The district shall publish the grades, schools, and spe-
22 cial programs, if any, for which enrollment may be available to,
23 and for which applications will be accepted from, nonresident
24 applicants residing within the same intermediate district.

25 (b) If the district has a limited number of positions avail-
26 able for nonresidents residing within the same intermediate
27 district in a grade, school, or program, all of the following

1 apply to accepting applications for and enrollment of
2 nonresidents in that grade, school, or program:

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

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

10 (b) During the application period under
11 sub-subparagraph (A), accept applications from nonresidents
12 residing within the same intermediate district for enrollment in
13 that grade, school, or program.

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

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

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

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

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

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

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

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

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

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

21 (c) By the beginning of the second semester, using the pro-
22 cedures and preferences required under this section, the district
23 shall determine which nonresident applicants will be allowed to
24 enroll in the district for the second semester and notify the
25 parent or legal guardian of each nonresident applicant residing
26 within the same intermediate district of whether or not the
27 applicant may enroll in the district. The notification to

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

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

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

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

25 (7) A nonresident applicant residing within the same inter-
26 mediate district shall not be granted or refused enrollment based
27 on age, except that a district may refuse to admit a nonresident

1 applicant applying for a program that is not appropriate for the
2 age of the applicant.

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

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

12 (10) A district shall ~~give preference for enrollment over~~
13 ~~all other nonresident applicants residing within the same inter-~~
14 ~~mediate district to pupils who were~~ CONTINUE TO ALLOW A PUPIL
15 WHO WAS enrolled in and attended the district UNDER THIS SECTION
16 in the school year or semester immediately preceding the school
17 year or semester in question ~~and~~ TO ENROLL IN THE DISTRICT
18 UNTIL THE PUPIL GRADUATES FROM HIGH SCHOOL. A DISTRICT SHALL
19 GIVE PREFERENCE FOR ENROLLMENT UNDER THIS SECTION OVER ALL OTHER
20 NONRESIDENT APPLICANTS RESIDING WITHIN THE SAME INTERMEDIATE
21 DISTRICT to other school-age children who reside in the same
22 household as ~~the~~ A pupil DESCRIBED IN THIS SUBSECTION. THIS
23 SUBSECTION DOES NOT PROHIBIT A DISTRICT FROM EXPELLING A PUPIL
24 DESCRIBED IN THIS SUBSECTION FOR DISCIPLINARY REASONS.

25 (11) If a nonresident pupil was enrolled in and attending
26 school in a district as a nonresident pupil in the 1995-96 school
27 year and continues to be enrolled continuously each school year

1 in that district, the district shall allow that nonresident pupil
2 to continue to enroll in and attend school in the district until
3 high school graduation, without requiring the nonresident pupil
4 to apply for enrollment under this section. This subsection does
5 not prohibit a district from expelling a pupil described in this
6 subsection for disciplinary reasons.

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

21 (13) If a district, or the nonresident applicant, requests
22 the district in which a nonresident applicant resides to supply
23 information needed by the district for evaluating the applicant's
24 application for enrollment or for enrolling the applicant, the
25 district of residence shall provide that information on a timely
26 basis.

1 (14) If a district is subject to a court-ordered
2 desegregation plan, and if the court issues an order prohibiting
3 pupils residing in that district from enrolling in another dis-
4 trict or prohibiting pupils residing in another district from
5 enrolling in that district, this section is subject to the court
6 order.

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

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

26 (17) A district may participate in a cooperative education
27 program with 1 or more other districts or intermediate districts

1 whether or not the district enrolls any nonresidents pursuant to
2 this section.

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

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

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

20 Sec. 105b. ~~Notwithstanding section 105(21), if~~ IF an
21 intermediate district is operating under an intermediate district
22 pilot schools of choice program established under former
23 section 91 or as described in section 91a, the intermediate dis-
24 trict and its constituent districts are exempt from section 105.

25 Sec. 105c. (1) In order to avoid a penalty under this sec-
26 tion, and in order to count a nonresident pupil residing in a
27 ~~contiguous~~ district located in another intermediate district in

1 membership without the approval of the pupil's district of
2 residence, a district shall comply with this section.

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

12 (a) The district shall publish the grades, schools, and spe-
13 cial programs, if any, for which enrollment may be available to,
14 and for which applications will be accepted from, nonresident
15 applicants residing in a ~~contiguous~~ district located in another
16 intermediate district.

17 (b) If the district has a limited number of positions avail-
18 able for nonresidents residing in a ~~contiguous~~ district located
19 in another intermediate district in a grade, school, or program,
20 all of the following apply to accepting applications for and
21 enrollment of nonresidents under this section in that grade,
22 school, or program:

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

25 (A) Provide notice to the general public that applications
26 will be taken for a 15-day period from nonresidents residing in a
27 ~~contiguous~~ district located in another intermediate district

1 for enrollment in that grade, school, or program. The notice
2 shall identify the 15-day period and the place and manner for
3 submitting applications.

4 (B) During the application period under
5 sub-subparagraph (A), accept applications from nonresidents
6 residing in a ~~contiguous~~ district located in another intermedi-
7 ate district for enrollment in that grade, school, or program.

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

20 (ii) Beginning on the third Monday in August and not later
21 than the end of the first week of school, if any positions become
22 available in a grade, school, or program due to accepted appli-
23 cants failing to enroll or to more positions being added, the
24 district may enroll nonresident applicants from the waiting list
25 maintained under subsection (12), offering enrollment in the
26 order that applicants appear on the waiting list. If there are
27 still positions available after enrolling all applicants from the

1 waiting list who desire to enroll, the district may not fill
2 those positions until the second semester enrollment under sub-
3 section (3), as provided under that subsection, or until the next
4 school year.

5 (c) For a grade, school, or program that has an unlimited
6 number of positions available for nonresidents residing in a
7 ~~contiguous~~ district located in another intermediate district,
8 all of the following apply to enrollment of nonresidents in that
9 grade, school, or program under this section:

10 (i) The district may accept applications for enrollment in
11 that grade, school, or program, and may enroll nonresidents
12 residing in a ~~contiguous~~ district located in another intermedi-
13 ate district in that grade, school, or program, until the end of
14 the first week of school. The district shall provide notice to
15 the general public of the place and manner for submitting appli-
16 cations and, if the district has a limited application period,
17 the notice shall include the dates of the application period.
18 The application period shall be at least a 15-day period.

19 (ii) Not later than the end of the first week of school, the
20 district shall notify the parent or legal guardian of each non-
21 resident applicant who is accepted for enrollment under this sec-
22 tion that the applicant has been accepted for enrollment in the
23 grade, school, or program and of the date by which the applicant
24 must enroll in the district and the procedures for enrollment.

25 (3) If a district determines during the first semester of a
26 school year that it has positions available for enrollment of a
27 number of nonresidents residing in a ~~contiguous~~ district

1 located in another intermediate district, beyond those entitled
2 to preference under this section, for the second semester of the
3 school year, the district may accept applications from and enroll
4 nonresidents residing in a ~~contiguous~~ district located in
5 another intermediate district for the second semester using the
6 following procedures:

7 (a) Not later than 2 weeks before the end of the first
8 semester, the district shall publish the grades, schools, and
9 special programs, if any, for which enrollment for the second
10 semester may be available to, and for which applications will be
11 accepted from, nonresident applicants residing in a ~~contiguous~~
12 district located in another intermediate district.

13 (b) During the last 2 weeks of the first semester, the dis-
14 trict shall accept applications from nonresidents residing in a
15 ~~contiguous~~ district located in another intermediate district
16 for enrollment for the second semester in the available grades,
17 schools, and programs.

18 (c) By the beginning of the second semester, using the pro-
19 cedures and preferences required under this section, the district
20 shall determine which nonresident applicants will be allowed to
21 enroll under this section in the district for the second semester
22 and notify the parent or legal guardian of each nonresident
23 applicant residing in a ~~contiguous~~ district located in another
24 intermediate district of whether or not the applicant may enroll
25 in the district. The notification to parents or legal guardians
26 of nonresident applicants accepted for enrollment shall contain

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

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

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

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

25 (7) A nonresident applicant residing in a ~~contiguous~~ dis-
26 trict located in another intermediate district shall not be
27 granted or refused enrollment under this section based on age,

1 except that a district may refuse to admit a nonresident
2 applicant applying for a program that is not appropriate for the
3 age of the applicant.

4 (8) A nonresident applicant residing in a ~~contiguous~~ dis-
5 trict located in another intermediate district shall not be
6 granted or refused enrollment under this section based upon reli-
7 gion, race, color, national origin, sex, height, weight, marital
8 status, or athletic ability, or, generally, in violation of any
9 state or federal law prohibiting discrimination.

10 (9) A district may refuse to enroll a nonresident applicant
11 under this section if the applicant is, or has been within the
12 preceding 2 years, suspended from another school or if the appli-
13 cant has ever been expelled from another school.

14 (10) A district shall ~~give preference for enrollment over~~
15 ~~all other nonresident applicants residing in a contiguous dis-~~
16 ~~trict located in another intermediate district to pupils who~~
17 ~~were~~ CONTINUE TO ALLOW A PUPIL WHO WAS enrolled in and attended
18 the district UNDER THIS SECTION in the school year or semester
19 immediately preceding the school year or semester in question
20 ~~and~~ TO ENROLL IN THE DISTRICT UNTIL THE PUPIL GRADUATES FROM
21 HIGH SCHOOL. A DISTRICT SHALL GIVE PREFERENCE FOR ENROLLMENT
22 UNDER THIS SECTION OVER ALL OTHER NONRESIDENT APPLICANTS RESIDING
23 IN A DISTRICT LOCATED IN ANOTHER INTERMEDIATE DISTRICT to other
24 school-age children who reside in the same household as ~~the~~ A
25 pupil DESCRIBED IN THIS SUBSECTION. THIS SUBSECTION DOES NOT
26 PROHIBIT A DISTRICT FROM EXPELLING A PUPIL DESCRIBED IN THIS
27 SUBSECTION FOR DISCIPLINARY REASONS.

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

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

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

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

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

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

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

21 (17) In order for a district or intermediate district to
22 enroll pursuant to this section a nonresident pupil who resides
23 in a ~~contiguous~~ district located in another intermediate dis-
24 trict and who is eligible for special education programs and
25 services according to statute or rule, or who is a child with
26 disabilities, as defined under the individuals with disabilities
27 education act, title VI of Public Law 91-230, the enrolling

1 district shall have a written agreement with the resident
2 district of the pupil for the purpose of providing the pupil with
3 a free appropriate public education. The written agreement shall
4 include, but is not limited to, an agreement on the responsibil-
5 ity for the payment of the added costs of special education pro-
6 grams and services for the pupil.

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

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

13 (20) This section is repealed if the final decision of a
14 court of competent jurisdiction holds that any portion of this
15 section is unconstitutional, ineffective, invalid, or in viola-
16 tion of federal law.

17 ~~(21) As used in this section, "contiguous district located~~
18 ~~in another intermediate district" means a district that is conti-~~
19 ~~guous to a pupil's district of residence but that is located in a~~
20 ~~different intermediate district than the pupil's district of~~
21 ~~residence.~~

22 Sec. 107. (1) From the appropriation in section 11, there
23 is allocated ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001,
24 FOR 2001-2002, AND FOR 2002-2003 an amount not to exceed
25 \$80,000,000.00 each fiscal year for adult education programs
26 authorized under this section.

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

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

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

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

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

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

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

24 (3) The amount allocated under subsection (1) shall be dis-
25 tributed as follows:

26 (a) For districts and consortia that received payments for
27 1995-96 under former section 107f and that received payments for

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1 1996-97 under subsection (4) of this section as in effect in
2 1996-97, the amount allocated to each ~~for 1998-99,~~ for
3 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND 2002-2003
4 shall be an amount each fiscal year equal to 36.76% of the amount
5 the district or consortium received for 1995-96 under former
6 section 107f.

7 (b) For districts and consortia that received payments under
8 subsection (3) of this section as in effect for 1996-97, the
9 amount allocated to each for ~~1998-99,~~ for 1999-2000, ~~and~~ for
10 2000-2001, FOR 2001-2002, AND FOR 2002-2003 shall be an amount
11 each fiscal year equal to the product of the number of full-time
12 equated participants actually enrolled and in attendance during
13 the 1996-97 school fiscal year in the program funded under
14 subsection (3) of this section as in effect for 1996-97 as
15 reported to the department, audited, and adjusted according to
16 subsection (10) of this section as in effect for 1996-97, multi-
17 plied by \$2,750.00.

18 (c) For districts and consortia that meet the conditions of
19 both subdivisions (a) and (b), the amount allocated each fiscal
20 year ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR
21 2001-2002, AND FOR 2002-2003 shall be the sum of the allocations
22 to the district or consortium under subdivisions (a) and (b).

23 (d) A district or consortium that received funding in
24 1996-97 under this section as in effect for 1996-97 may operate
25 independently of a consortium or join or form a consortium ~~for~~
26 ~~1998-99,~~ for 1999-2000, ~~or~~ for 2000-2001, FOR 2001-2002, OR
27 FOR 2002-2003. The allocation ~~for 1998-99,~~ for 1999-2000, ~~or~~

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1 for 2000-2001, FOR 2001-2002, OR FOR 2002-2003 to the district or
2 the newly formed consortium under this subsection shall be deter-
3 mined by the department and shall be based on the proportion of
4 the amounts specified in subdivision (a) or (b), or both, that
5 are attributable to the district or consortium that received
6 funding in 1996-97. A district or consortium described in this
7 subdivision shall notify the department of its intention with
8 regard to ~~1998-99,~~ 1999-2000, ~~or~~ 2000-2001, 2001-2002, OR
9 2002-2003 by October 1 of the affected fiscal year.

10 (4) A district that operated an adult education program in
11 1996-97 and does not intend to operate a program in ~~1998-99,~~
12 1999-2000, ~~or~~ 2000-2001, 2001-2002, OR 2002-2003 shall notify
13 the department by October 1 of the affected fiscal year of its
14 intention. The funds intended to be allocated under this section
15 to a district that does not operate a program in ~~1998-99,~~
16 1999-2000, ~~or~~ 2000-2001, 2001-2002, OR 2002-2003 and the
17 unspent funds originally allocated under this section to a dis-
18 trict or consortium that subsequently operates a program at less
19 than the level of funding allocated under subsection (3) shall
20 instead be proportionately reallocated to the other districts
21 described in subsection (3)(a) that are operating an adult educa-
22 tion program in ~~1998-99,~~ 1999-2000, ~~or~~ 2000-2001, 2001-2002,
23 OR 2002-2003 under this section.

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

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

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

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

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

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

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

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

23 (i) The participant is assessed as having attained basic
24 English proficiency.

25 (ii) The participant fails to show progress on 2 successive
26 assessments after having completed at least 450 hours of
27 instruction. The department shall provide information to a

1 funding recipient regarding appropriate assessment instruments
2 for this program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (i) The individual achieves the requisite skills as deter-
18 mined by appropriate assessment instruments administered at least
19 after every 90 hours of attendance.

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

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

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

2 (b) Ten percent for completion of the adult basic education
3 objectives by achieving an increase of at least 1 grade level of
4 proficiency in reading or mathematics; for achieving basic
5 English proficiency; for passage of the G.E.D. test; for passage
6 of a course required for a participant to attain a high school
7 diploma; or for completion of the course and demonstrated profi-
8 ciency in the academic skills to be learned in the course, as
9 applicable.

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

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

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

26 (14) A district shall not commingle money received under
27 this section or from another source for adult education purposes

1 with any other funds of the district. A district receiving adult
2 education funds shall establish a separate ledger account for
3 those funds. This subsection does not prohibit a district from
4 using general funds of the district to support an adult education
5 or community education program.

6 (15) THE DEPARTMENT SHALL WORK WITH THE DEPARTMENT OF EDUCA-
7 TION TO ENSURE THAT THIS SECTION IS ADMINISTERED IN THE SAME
8 MANNER AS IN 1998-99.

9 (16) AS USED IN THIS SECTION AND SECTION 108, "DEPARTMENT"
10 MEANS THE DEPARTMENT OF CAREER DEVELOPMENT.

11 SEC. 108. (1) FROM THE GENERAL FUND APPROPRIATION IN
12 SECTION 11, THERE IS ALLOCATED FOR 2000-2001, 2001-2002, AND
13 2002-2003 AN AMOUNT NOT TO EXCEED \$20,000,000.00 EACH FISCAL YEAR
14 FOR PARTNERSHIP FOR ADULT LEARNING PROGRAMS AUTHORIZED UNDER THIS
15 SECTION.

16 (2) TO BE ELIGIBLE TO BE ENROLLED AS A PARTICIPANT IN AN
17 ADULT LEARNING PROGRAM FUNDED UNDER THIS SECTION, A PERSON SHALL
18 BE AT LEAST 16 YEARS OF AGE AS OF SEPTEMBER 1 OF THE IMMEDIATELY
19 PRECEDING STATE FISCAL YEAR AND SHALL MEET THE FOLLOWING, AS
20 APPLICABLE:

21 (A) IF THE INDIVIDUAL HAS OBTAINED A HIGH SCHOOL DIPLOMA OR
22 A GENERAL EDUCATION DEVELOPMENT (G.E.D.) CERTIFICATE, THE INDI-
23 VIDUAL IS DETERMINED TO HAVE ENGLISH LANGUAGE PROFICIENCY, READ-
24 ING, WRITING, OR MATH SKILLS BELOW WORKFORCE READINESS STANDARDS
25 AS DETERMINED BY DEPARTMENT-APPROVED TESTS AND IS NOT ENROLLED IN
26 A POSTSECONDARY INSTITUTION. AN INDIVIDUAL WHO HAS OBTAINED A

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1 HIGH SCHOOL DIPLOMA IS NOT ELIGIBLE FOR ENROLLMENT IN A
2 G.E.D. TEST PREPARATION PROGRAM FUNDED UNDER THIS SECTION.

3 (B) IF THE INDIVIDUAL HAS NOT OBTAINED A HIGH SCHOOL DIPLOMA
4 OR A G.E.D. CERTIFICATE, THE INDIVIDUAL HAS NOT ATTENDED A SEC-
5 ONDARY INSTITUTION FOR AT LEAST 6 MONTHS BEFORE ENROLLMENT IN AN
6 ADULT LEARNING PROGRAM FUNDED UNDER THIS SECTION AND IS NOT
7 ENROLLED IN A POSTSECONDARY INSTITUTION.

8 (3) FROM THE ALLOCATION UNDER SUBSECTION (1), AN AMOUNT NOT
9 TO EXCEED \$19,800,000.00 IS ALLOCATED EACH FISCAL YEAR FOR
10 2000-2001, FOR 2001-2002, AND FOR 2002-2003 TO LOCAL WORKFORCE
11 DEVELOPMENT BOARDS FOR THE PURPOSE OF PROVIDING REGIONAL ADULT
12 LEARNING PROGRAMS. AN APPLICATION FOR A GRANT UNDER THIS SUBSEC-
13 TION SHALL BE IN THE FORM AND MANNER PRESCRIBED BY THE
14 DEPARTMENT. SUBJECT TO SUBSECTIONS (4), (5), AND (6), THE AMOUNT
15 ALLOCATED TO EACH LOCAL WORKFORCE DEVELOPMENT BOARD SHALL BE AS
16 PROVIDED IN THIS SUBSECTION, EXCEPT THAT AN ELIGIBLE LOCAL WORK-
17 FORCE DEVELOPMENT BOARD SHALL NOT RECEIVE AN INITIAL ALLOCATION
18 UNDER THIS SECTION THAT IS LESS THAN \$70,000.00. THE MAXIMUM
19 AMOUNT OF A GRANT AWARDED TO AN ELIGIBLE LOCAL WORKFORCE DEVELOP-
20 MENT BOARD SHALL BE THE SUM OF THE FOLLOWING COMPONENTS:

21 (i) THIRTY-FOUR PERCENT OF THE ALLOCATION UNDER THIS SUBSEC-
22 TION MULTIPLIED BY THE PROPORTION OF THE FAMILY INDEPENDENCE
23 AGENCY CASELOAD IN THE LOCAL WORKFORCE DEVELOPMENT BOARD REGION
24 TO THE STATEWIDE FAMILY INDEPENDENCE AGENCY CASELOAD.

25 (ii) THIRTY-THREE PERCENT OF THE ALLOCATION UNDER THIS SUB-
26 SECTION MULTIPLIED BY THE PROPORTION OF THE NUMBER OF PERSONS IN
27 THE LOCAL WORKFORCE DEVELOPMENT BOARD REGION OVER AGE 17 WHO HAVE

1 NOT RECEIVED A HIGH SCHOOL DIPLOMA COMPARED TO THE STATEWIDE
2 TOTAL OF PERSONS OVER AGE 17 WHO HAVE NOT RECEIVED A HIGH SCHOOL
3 DIPLOMA.

4 (iii) THIRTY-THREE PERCENT OF THE ALLOCATION UNDER THIS SUB-
5 SECTION MULTIPLIED BY THE PROPORTION OF THE NUMBER OF PERSONS IN
6 THE LOCAL WORKFORCE DEVELOPMENT BOARD REGION OVER AGE 17 FOR WHOM
7 ENGLISH IS NOT A PRIMARY LANGUAGE COMPARED TO THE STATEWIDE TOTAL
8 OF PERSONS OVER AGE 17 FOR WHOM ENGLISH IS NOT A PRIMARY
9 LANGUAGE.

10 (4) THE AMOUNT OF A GRANT TO A LOCAL WORKFORCE DEVELOPMENT
11 BOARD UNDER SUBSECTION (3) SHALL NOT EXCEED THE COST FOR ADULT
12 LEARNING PROGRAMS NEEDED IN THE LOCAL WORKFORCE DEVELOPMENT BOARD
13 REGION, AS DOCUMENTED IN A MANNER APPROVED BY THE DEPARTMENT.

14 (5) NOT MORE THAN 9% OF A GRANT AWARDED TO A LOCAL WORKFORCE
15 DEVELOPMENT BOARD MAY BE USED FOR PROGRAM ADMINISTRATION, INCLUD-
16 ING CONTRACTING FOR THE PROVISION OF CAREER AND EDUCATIONAL
17 INFORMATION, COUNSELING SERVICES, AND ASSESSMENT SERVICES.

18 (6) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A LOCAL
19 WORKFORCE DEVELOPMENT BOARD SHALL COMPLY WITH THE FOLLOWING
20 REQUIREMENTS IN A MANNER APPROVED BY THE DEPARTMENT:

21 (A) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL DOCUMENT THE
22 NEED FOR ADULT LEARNING PROGRAMS IN THE LOCAL WORKFORCE DEVELOP-
23 MENT REGION.

24 (B) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL REPORT PAR-
25 TICIPANT OUTCOMES AND OTHER MEASUREMENTS OF PROGRAM PERFORMANCE.

26 (C) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL DEVELOP A
27 STRATEGIC PLAN THAT INCORPORATES ADULT LEARNING PROGRAMS IN THE

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1 REGION. BEGINNING IN 2001-2002, A LOCAL WORKFORCE DEVELOPMENT
2 BOARD IS NOT ELIGIBLE FOR STATE FUNDS UNDER THIS SECTION WITHOUT
3 A DEPARTMENT-APPROVED STRATEGIC PLAN.

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

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

14 (7) LOCAL WORKFORCE DEVELOPMENT BOARDS SHALL DISTRIBUTE
15 FUNDS TO ELIGIBLE ADULT LEARNING PROVIDERS AS FOLLOWS:

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

24 (B) UP TO 15% OF A GRANT AWARD MAY BE USED TO SUPPORT WORK-
25 FORCE READINESS PROGRAMS FOR EMPLOYERS IN THE LOCAL WORKFORCE
26 DEVELOPMENT BOARD REGION AS APPROVED BY THE DEPARTMENT.
27 EMPLOYERS OR CONSORTIA OF EMPLOYERS WHOSE EMPLOYEES PARTICIPATE

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1 IN THESE PROGRAMS MUST PROVIDE MATCHING FUNDS IN A RATIO OF AT
2 LEAST \$1.00 OF PRIVATE FUNDS FOR EACH \$1.00 OF STATE FUNDS.

3 (8) LOCAL WORKFORCE DEVELOPMENT BOARDS SHALL AWARD COMPETI-
4 TIVE GRANTS TO ELIGIBLE ADULT LEARNING PROVIDERS FOR THE PURPOSE
5 OF PROVIDING ADULT LEARNING PROGRAMS IN THE LOCAL WORKFORCE
6 DEVELOPMENT BOARD REGION. APPLICATIONS SHALL BE IN A FORM AND
7 MANNER PRESCRIBED BY THE DEPARTMENT. IN AWARDING GRANTS, LOCAL
8 WORKFORCE DEVELOPMENT BOARDS SHALL CONSIDER ALL OF THE
9 FOLLOWING:

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

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

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

22 (D) WHETHER THE PROGRAM IS OF SUFFICIENT INTENSITY AND DURA-
23 TION FOR PARTICIPANTS TO ACHIEVE SUBSTANTIAL LEARNING GAINS.

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

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

3 (G) WHETHER THE PROGRAMS ARE STAFFED BY WELL-TRAINED TEACH-
4 ERS, COUNSELORS, AND ADMINISTRATORS.

5 (H) WHETHER THE ACTIVITIES COORDINATE WITH OTHER AVAILABLE
6 RESOURCES IN THE COMMUNITY, SUCH AS SCHOOLS, POSTSECONDARY INSTI-
7 TUTIONS, JOB TRAINING PROGRAMS, AND SOCIAL SERVICE AGENCIES.

8 (I) WHETHER THE PROVIDER OFFERS FLEXIBLE SCHEDULES AND SUP-
9 PORT SERVICES, SUCH AS CHILD CARE AND TRANSPORTATION, THAT ENABLE
10 PARTICIPANTS, INCLUDING INDIVIDUALS WITH DISABILITIES OR OTHER
11 SPECIAL NEEDS, TO ATTEND AND COMPLETE PROGRAMS.

12 (J) WHETHER THE PROVIDER OFFERS ADEQUATE JOB AND POSTSECOND-
13 ARY EDUCATION COUNSELING SERVICES.

14 (K) WHETHER THE PROVIDER CAN MAINTAIN AN INFORMATION MANAGE-
15 MENT SYSTEM THAT HAS THE CAPACITY TO REPORT PARTICIPANT OUTCOMES
16 AND MONITOR PROGRAM PERFORMANCE AGAINST DEPARTMENT-APPROVED PER-
17 FORMANCE MEASURES.

18 (L) WHETHER THE PROVIDER WILL ALLOW ACCESS FOR THE LOCAL
19 WORKFORCE DEVELOPMENT BOARD OR ITS DESIGNEE TO AUDIT ALL RECORDS
20 RELATED TO ADULT LEARNING PROGRAMS FOR WHICH IT RECEIVES FUNDS.
21 THE ADULT LEARNING PROVIDER SHALL REIMBURSE THE LOCAL WORKFORCE
22 DEVELOPMENT BOARD FOR ALL DISALLOWANCES FOUND IN THE AUDIT.

23 (M) THE COST PER PARTICIPANT CONTACT HOUR OR UNIT OF MEASUR-
24 ABLE OUTCOME FOR EACH TYPE OF ADULT LEARNING PROGRAM FOR WHICH
25 THE PROVIDER IS APPLYING.

26 (9) BEGINNING IN 2001-2002, CONTRACTS AWARDED BY LOCAL
27 WORKFORCE DEVELOPMENT BOARDS TO ADULT LEARNING PROVIDERS SHALL

1 COMPLY WITH THE PRIORITIES ESTABLISHED IN A DEPARTMENT-APPROVED
2 STRATEGIC PLAN.

3 (10) ADULT LEARNING PROVIDERS THAT DO NOT AGREE WITH THE
4 DECISIONS OF THE LOCAL WORKFORCE DEVELOPMENT BOARD IN ISSUING OR
5 ADMINISTERING COMPETITIVE GRANTS MAY USE THE GRIEVANCE PROCEDURE
6 ESTABLISHED BY THE DEPARTMENT.

7 (11) LOCAL WORKFORCE DEVELOPMENT BOARDS SHALL REIMBURSE ELI-
8 GIBLE ADULT LEARNING PROVIDERS UNDER THIS SECTION AS FOLLOWS:

9 (A) FOR A FIRST-TIME PROVIDER, AS FOLLOWS:

10 (i) FIFTY PERCENT OF THE CONTRACT AMOUNT SHALL BE ALLOCATED
11 TO ELIGIBLE ADULT LEARNING PROVIDERS BASED UPON ENROLLMENT OF
12 PARTICIPANTS IN ADULT LEARNING PROGRAMS. "ENROLLMENT" MEANS A
13 PARTICIPANT ENROLLED IN THE PROGRAM WHO RECEIVED A PREENROLLMENT
14 ASSESSMENT USING DEPARTMENT-APPROVED ASSESSMENT TOOLS AND FOR
15 WHOM AN INDIVIDUAL ADULT LEARNER PLAN HAS BEEN DEVELOPED.

16 (ii) FIFTY PERCENT OF THE CONTRACT AMOUNT SHALL BE ALLOCATED
17 TO ELIGIBLE ADULT LEARNING PROVIDERS BASED UPON THE FOLLOWING
18 PERFORMANCE STANDARDS AS MEASURED IN A DEPARTMENT-APPROVED
19 MANNER:

20 (A) THE PERCENTAGE OF PARTICIPANTS TAKING BOTH A PRETEST AND
21 A POSTTEST IN ENGLISH LANGUAGE PROFICIENCY, READING, WRITING, AND
22 MATH.

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

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

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1 (B) BEGINNING IN 2001-2002, ELIGIBLE PROVIDERS THAT HAVE
2 PROVIDED ADULT LEARNING PROGRAMS PREVIOUSLY UNDER THIS SECTION
3 SHALL BE REIMBURSED 100% OF THE CONTRACT AMOUNT BASED UPON THE
4 PERFORMANCE STANDARDS IN SUBDIVISION (A)(ii) AS MEASURED IN A
5 MANNER DETERMINED BY THE DEPARTMENT.

6 (C) A PROVIDER IS ELIGIBLE FOR REIMBURSEMENT FOR A PARTICI-
7 PANT IN AN ADULT LEARNING PROGRAM UNTIL THE PARTICIPANT'S READ-
8 ING, WRITING, OR MATH PROFICIENCY, AS APPLICABLE, IS ASSESSED AT
9 WORKFORCE READINESS LEVELS OR THE PARTICIPANT FAILS TO SHOW
10 PROGRESS ON 2 SUCCESSIVE ASSESSMENTS AS DETERMINED BY THE
11 DEPARTMENT.

12 (D) A PROVIDER IS ELIGIBLE FOR REIMBURSEMENT FOR A PARTICI-
13 PANT IN AN ENGLISH AS A SECOND LANGUAGE PROGRAM UNTIL THE PARTIC-
14 IPANT IS ASSESSED AS HAVING ATTAINED BASIC ENGLISH PROFICIENCY OR
15 THE PARTICIPANT FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE ASSESS-
16 MENTS AS DETERMINED BY THE DEPARTMENT.

17 (E) A PROVIDER IS ELIGIBLE FOR REIMBURSEMENT FOR A PARTICI-
18 PANT IN A G.E.D. TEST PREPARATION PROGRAM UNTIL THE PARTICIPANT
19 PASSES THE G.E.D. TEST OR THE PARTICIPANT FAILS TO SHOW PROGRESS
20 ON 2 SUCCESSIVE ASSESSMENTS AS DETERMINED BY THE DEPARTMENT.

21 (F) A PROVIDER IS ELIGIBLE FOR REIMBURSEMENT FOR A PARTICI-
22 PANT IN A HIGH SCHOOL COMPLETION PROGRAM UNTIL THE PARTICIPANT
23 EARNS A HIGH SCHOOL DIPLOMA OR THE PARTICIPANT FAILS TO SHOW
24 PROGRESS AS DETERMINED BY THE DEPARTMENT.

25 (12) A PERSON WHO IS NOT ELIGIBLE TO BE A PARTICIPANT FUNDED
26 UNDER THIS SECTION MAY RECEIVE ADULT LEARNING SERVICES UPON THE
27 PAYMENT OF TUITION OR FEES FOR SERVICE. THE TUITION OR FEE LEVEL

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1 SHALL BE DETERMINED BY THE ADULT LEARNING PROVIDER AND APPROVED
2 BY THE LOCAL WORKFORCE DEVELOPMENT BOARD.

3 (13) ADULT LEARNING PROVIDERS MAY COLLECT REFUNDABLE DEPOS-
4 ITS FROM PARTICIPANTS FOR THE USE OF REUSABLE EQUIPMENT AND SUP-
5 PLIES AND MAY PROVIDE INCENTIVES FOR PROGRAM COMPLETION.

6 (14) A PROVIDER SHALL NOT BE REIMBURSED UNDER THIS SECTION
7 FOR AN INDIVIDUAL WHO IS AN INMATE IN A STATE CORRECTIONAL
8 FACILITY.

9 (15) IN ORDER TO ADMINISTER THE PARTNERSHIP FOR ADULT LEARN-
10 ING SYSTEM UNDER THIS SECTION, THE DEPARTMENT SHALL DO ALL OF THE
11 FOLLOWING:

12 (A) DEVELOP AND PROVIDE GUIDELINES TO LOCAL WORKFORCE DEVEL-
13 OPMENT BOARDS FOR THE DEVELOPMENT OF STRATEGIC PLANS THAT INCOR-
14 PORATE ADULT LEARNING.

15 (B) DEVELOP AND PROVIDE ADULT LEARNING MINIMUM PROGRAM PER-
16 FORMANCE STANDARDS TO BE IMPLEMENTED BY LOCAL WORKFORCE DEVELOP-
17 MENT BOARDS.

18 (C) IDENTIFY APPROVED ASSESSMENT TOOLS FOR ASSESSING A
19 PARTICIPANT'S ENGLISH LANGUAGE PROFICIENCY, READING, MATH, AND
20 WRITING SKILLS.

21 (D) APPROVE WORKFORCE READINESS STANDARDS FOR ENGLISH LAN-
22 GUAGE PROFICIENCY, READING, MATH, AND WRITING SKILLS THAT CAN BE
23 MEASURED BY DEPARTMENT-APPROVED, NATIONALLY RECOGNIZED ASSESSMENT
24 TOOLS.

25 (16) OF THE AMOUNT ALLOCATED IN SUBSECTION (1), UP TO
26 \$200,000.00 IS ALLOCATED TO THE DEPARTMENT FOR THE DEVELOPMENT
27 AND ADMINISTRATION OF A STANDARDIZED DATA COLLECTION SYSTEM.

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

7 (17) A PROVIDER IS NOT REQUIRED TO USE CERTIFICATED TEACHERS
8 OR CERTIFICATED COUNSELORS TO PROVIDE INSTRUCTIONAL AND COUNSEL-
9 ING SERVICES IN A PROGRAM FUNDED UNDER THIS SECTION.

10 (18) AS USED IN THIS SECTION:

11 (A) "ADULT EDUCATION", FOR THE PURPOSES OF COMPLYING WITH
12 SECTION 3 OF ARTICLE VIII OF THE STATE CONSTITUTION OF 1963,
13 MEANS A HIGH SCHOOL PUPIL RECEIVING EDUCATIONAL SERVICES IN A
14 NONTRADITIONAL SETTING FROM A DISTRICT OR INTERMEDIATE DISTRICT
15 IN ORDER TO RECEIVE A HIGH SCHOOL DIPLOMA.

16 (B) "ADULT LEARNING PROGRAM" MEANS A DEPARTMENT-APPROVED
17 PROGRAM THAT IMPROVES READING, WRITING, AND MATH SKILLS TO WORK-
18 FORCE READINESS STANDARDS; AN ENGLISH AS A SECOND LANGUAGE PRO-
19 GRAM; A G.E.D. PREPARATION PROGRAM; A HIGH SCHOOL COMPLETION PRO-
20 GRAM; OR A WORKFORCE READINESS PROGRAM THAT ENHANCES EMPLOYMENT
21 OPPORTUNITIES.

22 (C) "DEPARTMENT" MEANS THE DEPARTMENT OF CAREER
23 DEVELOPMENT.

24 (D) "ELIGIBLE ADULT LEARNING PROVIDER" MEANS A DISTRICT,
25 PUBLIC SCHOOL ACADEMY, INTERMEDIATE DISTRICT, COMMUNITY COLLEGE,
26 UNIVERSITY, COMMUNITY-BASED ORGANIZATION, OR OTHER ORGANIZATION

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1 APPROVED BY THE DEPARTMENT THAT PROVIDES ADULT LEARNING PROGRAMS
2 UNDER A CONTRACT WITH A LOCAL WORKFORCE DEVELOPMENT BOARD.

3 (E) "PARTICIPANT" MEANS AN INDIVIDUAL ENROLLED IN AN ADULT
4 LEARNING PROGRAM AND RECEIVING SERVICES FROM AN ELIGIBLE ADULT
5 LEARNING PROVIDER.

6 (F) "STRATEGIC PLAN" MEANS A DEPARTMENT-APPROVED DOCUMENT
7 THAT INCORPORATES ADULT LEARNING GOALS AND OBJECTIVES FOR THE
8 LOCAL WORKFORCE DEVELOPMENT BOARD REGION AND IS DEVELOPED JOINTLY
9 BY THE LOCAL WORKFORCE DEVELOPMENT BOARD AND THE EDUCATION
10 ADVISORY GROUPS.

11 (G) "WORKFORCE DEVELOPMENT BOARD" MEANS A LOCAL WORKFORCE
12 DEVELOPMENT BOARD ESTABLISHED PURSUANT TO THE JOB TRAINING PART-
13 NERSHIP ACT, PUBLIC LAW 97-300, 96 STAT. 1322, AND THE
14 SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1994, PUBLIC LAW 103-239, 108
15 STAT. 568, OR THE EQUIVALENT.

16 (H) "WORKFORCE READINESS STANDARD" MEANS A
17 DEPARTMENT-APPROVED LEVEL OF ENGLISH LANGUAGE, READING, WRITING,
18 OR MATHEMATICS PROFICIENCY, OR ANY AND ALL OF THESE, AS DETER-
19 MINED BY RESULTS FROM ASSESSMENTS APPROVED FOR USE BY THE
20 DEPARTMENT.

21 Sec. 147. (1) The allocations for ~~1998-99,~~ 1999-2000,
22 ~~and~~ 2000-2001, 2001-2002, AND 2002-2003 for the public school
23 employees' retirement system pursuant to the public school
24 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
25 38.1467, shall be made using the entry age normal cost actuarial
26 method and risk assumptions adopted by the public school
27 employees retirement board and the department of management and

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1 budget. ~~Effective October 1, 1998, the annual level percentage~~
2 ~~of payroll contribution rate for the 1998-99 state fiscal year is~~
3 ~~estimated at 11.12%, the~~ THE annual level percentage of payroll
4 contribution rate for the 1999-2000 state fiscal year is esti-
5 mated at 11.66% ~~,~~ and the annual level percentage of payroll
6 contribution rate for the 2000-2001 state fiscal year is esti-
7 mated at 11.66%. The portion of the contribution rate assigned
8 to districts and intermediate districts for ~~1998-99, 1999-2000,~~
9 ~~and 2000-2001~~ EACH FISCAL YEAR is all of the total percentage
10 points. This contribution rate reflects an amortization period
11 of ~~38 years for 1998-99,~~ 37 years for 1999-2000 ~~,~~ and 36
12 years for 2000-2001. The public school employees' retirement
13 system board shall notify each district and intermediate district
14 by February 28 of each fiscal year of the estimated contribution
15 rate for the next fiscal year.

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

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

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

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

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

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

18 Sec. 163. (1) Except as provided in the revised school code
19 OR IN SECTION 108, the board of a district or intermediate dis-
20 trict shall not permit any of the following:

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

24 (b) A noncertificated counselor to provide counseling serv-
25 ices to pupils in an elementary or secondary school or in an
26 adult basic education or high school completion program.

1 (2) Except as provided in the revised school code OR IN
2 SECTION 108, a district or intermediate district employing
3 teachers or counselors not legally certificated shall have
4 deducted the sum equal to the amount paid the teachers or coun-
5 selors for the period of noncertificated or illegal employment.
6 Each intermediate superintendent shall notify the department of
7 the name of the noncertificated teacher or counselor, and the
8 district employing that individual and the amount of salary the
9 noncertificated teacher or counselor was paid within a constitu-
10 ent district.

11 (3) If a school official is notified by the department that
12 he or she is employing a nonapproved noncertificated teacher or
13 counselor in violation of this section and knowingly continues to
14 employ that teacher or counselor, the school official is guilty
15 of a misdemeanor, punishable by a fine of \$1,500.00 for each
16 incidence.

17 Enacting section 1. In accordance with section 30 of arti-
18 cle IX of the state constitution of 1963, total state spending in
19 this amendatory act and in 1999 PA 119, 1998 PA 553, and 1998 PA
20 339 from state sources for fiscal year 1999-2000 is estimated at
21 \$9,957,858,600.00 and state appropriations to be paid to local
22 units of government for fiscal year 1999-2000 are estimated at
23 \$9,929,505,800.00; total state spending in this amendatory act
24 and in 1999 PA 119 from state sources for fiscal year 2000-2001
25 is estimated at \$10,612,358,400.00 and state appropriations to be
26 paid to local units of government for fiscal year 2000-2001 are
27 estimated at \$10,476,883,400.00; total state spending in this

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1 amendatory act from state sources for fiscal year 2001-2002 is
2 estimated at \$11,156,658,300.00 and state appropriations to be
3 paid to local units of government for fiscal year 2001-2002 are
4 estimated at \$11,015,991,400.00; and total state spending in this
5 amendatory act from state sources for fiscal year 2002-2003 is
6 estimated at \$11,485,590,500.00 and state appropriations to be
7 paid to local units of government for fiscal year 2002-2003 are
8 estimated at \$11,339,716,200.00.

9 Enacting section 2. Sections 20b and 91b of the state
10 school aid act of 1979, 1979 PA 94, MCL 388.1620b and 388.1691b,
11 are repealed effective October 1, 2000.