



HOUSE BILL No. 5435

February 23, 2000, Introduced by Rep. Jelinek and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

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

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 be counted.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 pupil.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 alternative education programs affected.

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

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

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

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

16 (i) Fourth Wednesday in July.

17 (ii) Fourth Wednesday in September.

18 (iii) Second Wednesday in February.

19 (iv) Fourth Wednesday in April.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 to fund the amount of the projected shortfall.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 (c) ~~For BEGINNING IN 1999-2000 only,~~ for a district that in the
17 ~~immediately preceding 1994-95 state fiscal year had a foundation~~
18 ~~allowance greater than \$6,962.00 and less than \$12,000.00~~ \$6,500.00,
19 the district shall ~~receive~~ HAVE a foundation allowance in an amount
20 equal to the sum of the district's foundation allowance for the
21 immediately preceding state fiscal year plus 1.6% THE PRODUCT of the
22 district's foundation allowance for the immediately preceding state
23 fiscal year TIMES THE PERCENTAGE INCREASE IN THE UNITED STATES
24 CONSUMER PRICE INDEX IN THE CALENDAR YEAR ENDING IN THE IMMEDIATELY
25 PRECEDING FISCAL YEAR AS REPORTED BY THE MAY REVENUE ESTIMATING
26 CONFERENCE CONDUCTED UNDER SECTION 367B OF THE MANAGEMENT AND BUDGET
27 ACT, 1984 PA 431, MCL 18.1367B.

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

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

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

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

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

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

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

5 (5) The allocation under this section for a pupil shall be based on
6 the foundation allowance of the pupil's district of residence.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 current state fiscal year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (6) AS USED IN THIS SECTION:

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

1 PA 336 AND AS AMENDED BY 1994 PA 283.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (a) The sum of the district's or public school academy's combined
24 state and local revenue per membership pupil in the current state
25 fiscal year, as calculated under section 20, plus, ~~each fiscal year~~
26 ~~for 1999-2000 and 2000-2001 only,~~ the amount of the district's per
27 pupil allocation under section 20j(2), is less than or equal to
28 \$6,500.00 adjusted by the dollar amount of the difference between the
29 basic foundation allowance under section 20 for the current state
30 fiscal year and \$5,000.00.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 section 20 for the immediately preceding fiscal year.

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

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

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

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

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

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

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

1 OF FUNDING.

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

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

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

1 supreme court docket no. 104458-104492.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 (a) Pupils described in section 53a.

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

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

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

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

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

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

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

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

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

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

1 UNDER SECTION 22B.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) ~~"Membership" means for 1998-99 the total membership in 1997-98 of the intermediate district and the districts constituent to the intermediate district or the total membership in 1997-98 of the area vocational-technical program;~~ means for 1999-2000 the total membership in 1998-99 of the intermediate district and the districts constituent to the intermediate district or the total membership in 1998-99 of the area vocational-technical program; ~~and~~ means for 2000-2001 the total membership in 1999-2000 of the intermediate district and the districts constituent to the intermediate district or the total membership in 1999-2000 of the area vocational-technical program; MEANS FOR 2001-2002 THE TOTAL MEMBERSHIP IN 2000-2001 OF THE INTERMEDIATE DISTRICT AND THE DISTRICTS CONSTITUENT TO THE INTERMEDIATE DISTRICT OR THE TOTAL MEMBERSHIP IN 2000-2001 OF THE AREA VOCATIONAL-TECHNICAL PROGRAM; AND MEANS FOR 2002-2003 THE TOTAL MEMBERSHIP IN 2001-2002 OF THE INTERMEDIATE DISTRICT AND THE DISTRICTS CONSTITUENT TO THE INTERMEDIATE DISTRICT OR THE TOTAL MEMBERSHIP IN 2001-2002 OF THE AREA VOCATIONAL-TECHNICAL PROGRAM.

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

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

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

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

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

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

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

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

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

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

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

1 funding shall include all of the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (vii) Career placement services.

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

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

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

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

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

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

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

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

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

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

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

1 ~~provided in this section, there shall be allocated to each~~
2 ~~intermediate district for 1998-99 an amount equal to the amount of~~
3 ~~funding actually received by the intermediate district under this~~
4 ~~subsection in 1997-98.~~ Except as otherwise provided in this section,
5 there shall be allocated to each intermediate district for 1999-2000
6 an amount equal to 104.2% of the amount of funding actually received
7 by the intermediate district under this subsection for 1998-99.
8 Except as otherwise provided in this section, there shall be allocated
9 to each intermediate district for 2000-2001 an amount equal to ~~102.9%~~
10 103.5% of the amount of funding actually received by the intermediate
11 district under this subsection for 1999-2000. EXCEPT AS OTHERWISE
12 PROVIDED IN THIS SECTION, THERE SHALL BE ALLOCATED TO EACH
13 INTERMEDIATE DISTRICT FOR 2001-2002 AN AMOUNT EQUAL TO 103.5% OF THE
14 AMOUNT OF FUNDING ACTUALLY RECEIVED BY THE INTERMEDIATE DISTRICT UNDER
15 THIS SUBSECTION FOR 2000-2001. EXCEPT AS OTHERWISE PROVIDED IN THIS
16 SECTION, THERE SHALL BE ALLOCATED TO EACH INTERMEDIATE DISTRICT FOR
17 2002-2003 AN AMOUNT EQUAL TO 103.5% OF THE AMOUNT OF FUNDING ACTUALLY
18 RECEIVED BY THE INTERMEDIATE DISTRICT UNDER THIS SUBSECTION FOR 2001-
19 2002. Funding provided under this section shall be used to comply
20 with requirements of this act and the revised school code that are
21 applicable to intermediate districts, and for which funding is not
22 provided elsewhere in this act, and to provide technical assistance to
23 districts as authorized by the intermediate school board.
24 (2) From the allocation in subsection (1), there is allocated to
25 an intermediate district, formed by the consolidation or annexation of
26 2 or more intermediate districts or the attachment of a total
27 intermediate district to another intermediate school district or the
28 annexation of all of the constituent K-12 districts of a previously
29 existing intermediate school district which has disorganized, an
30 additional allotment of \$3,500.00 each fiscal year for each

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

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

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

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

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

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

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

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

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

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

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

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

1 Sec. 99. (1) From the state school aid fund appropriation in
2 section 11, there is allocated ~~an amount not to exceed \$7,293,100.00~~
3 ~~for 1998-99, and~~ an amount not to exceed \$7,904,900.00 each fiscal
4 year for 1999-2000, and 2000-2001, FOR 2001-2002, AND FOR 2002-2003,
5 and from the general fund appropriation in section 11 there is
6 allocated an amount not to exceed \$400,000.00 each fiscal year for
7 ~~1998-99, for 1999-2000, and for 2000-2001, FOR 2001-2002, AND FOR~~
8 2002-2003 for implementing the comprehensive master plan for
9 mathematics and science centers developed by the department and
10 approved by the state board on February 17, 1993.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 (E) ONE MEMBER REPRESENTING THE GENERAL PUBLIC.

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

1 ASSOCIATION AND THE MICHIGAN FEDERATION OF TEACHERS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 assessment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (A) FOR A FIRST-TIME PROVIDER:

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

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

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

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

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

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

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

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

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

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

1 ASSESSMENTS AS DETERMINED BY THE DEPARTMENT.

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

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

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

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

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

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

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

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

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

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

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

7 (14) AS USED IN THIS SECTION:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Final page.