

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4398**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending section 101 (MCL 388.1701), as amended by 2002 PA
191.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 101. (1) To be eligible to receive state aid under
2 this act, not later than the fifth Wednesday after the pupil mem-
3 bership count day and not later than the fifth Wednesday after
4 the supplemental count day, each district superintendent through
5 the secretary of the district's board shall file with the inter-
6 mediate superintendent a certified and sworn copy of the number
7 of pupils enrolled and in regular daily attendance in the dis-
8 trict as of the pupil membership count day and as of the
9 supplemental count day, as applicable, for the current school
10 year. In addition, a district maintaining school during the

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1 entire year, as ~~provided under~~ DESCRIBED IN section 1561 of the
2 revised school code, MCL 380.1561, shall file with the intermedi-
3 ate superintendent a certified and sworn copy of the number of
4 pupils enrolled and in regular daily attendance in the district
5 for the current school year pursuant to rules promulgated by the
6 superintendent. Not later than the seventh Wednesday after the
7 pupil membership count day and not later than the seventh
8 Wednesday after the supplemental count day, the intermediate dis-
9 trict shall transmit to the department the data filed by each of
10 its constituent districts. If a district fails to file the sworn
11 and certified copy with the intermediate superintendent in a
12 timely manner, as required under this subsection, the intermedi-
13 ate district shall notify the department and state aid due to be
14 distributed under this act shall be withheld from the defaulting
15 district immediately, beginning with the next payment after the
16 failure and continuing with each payment until the district com-
17 plies with this subsection. If an intermediate district fails to
18 transmit the data in its possession in a timely and accurate
19 manner to the department, as required under this subsection,
20 state aid due to be distributed under this act shall be withheld
21 from the defaulting intermediate district immediately, beginning
22 with the next payment after the failure and continuing with each
23 payment until the intermediate district complies with this
24 subsection. If a district or intermediate district does not
25 comply with this subsection by the end of the fiscal year, the
26 district or intermediate district forfeits the amount withheld.
27 A person who willfully falsifies a figure or statement in the

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1 certified and sworn copy of enrollment shall be punished in the
2 manner prescribed by section 161.

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

19 (3) Except as otherwise provided in this section, each dis-
20 trict shall provide at least 180 days of pupil instruction and a
21 number of hours of pupil instruction at least equal to the
22 required minimum number of hours of pupil instruction required
23 for 2000-2001 under section 1284 of the revised school code,
24 MCL 380.1284. Except as otherwise provided in this act, a dis-
25 trict failing to hold 180 days of pupil instruction shall forfeit
26 from its total state aid allocation for each day of failure an
27 amount equal to 1/180 of its total state aid allocation. Except

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

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1 (4) The first 2 days for which pupil instruction is not
2 provided because of conditions not within the control of school
3 authorities, such as severe storms, fires, epidemics, or health
4 conditions as defined by the city, county, or state health
5 authorities, shall be counted as days of pupil instruction. IN
6 ADDITION, FOR 2001-2002 ONLY, THE DEPARTMENT SHALL COUNT AS DAYS
7 OF PUPIL INSTRUCTION NOT MORE THAN 4 ADDITIONAL DAYS, AND SHALL
8 COUNT AS HOURS OF PUPIL INSTRUCTION A PROPORTIONATE NUMBER OF
9 HOURS, FOR WHICH PUPIL INSTRUCTION WAS NOT PROVIDED IN A DISTRICT
10 AFTER MAY 26, 2002 DUE TO A TRAIN DERAILMENT THAT RESULTED IN A
11 HAZARDOUS MATERIAL SPILL. Subsequent such days shall not be
12 counted as days of pupil instruction.

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

19 (6) Upon application by the district for a particular fiscal
20 year, the superintendent may waive the minimum number of days of
21 pupil instruction requirement of subsection (3) for a district if
22 the district has adopted an experimental school year schedule in
23 1 or more buildings in the district if the experimental school
24 year schedule provides the required minimum number of hours of
25 pupil instruction under subsection (3) or more and is consistent
26 with all state board policies on school improvement and
27 restructuring. If a district applies for and receives a waiver

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1 under this subsection and complies with the terms of the waiver,
2 for the fiscal year covered by the waiver the district is not
3 subject to forfeiture under this section of part of its state aid
4 allocation for the specific building or program covered by the
5 waiver.

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

18 (a) The district fails to operate its schools for at least
19 180 days and the required minimum number of hours of pupil
20 instruction under subsection (3) in a school year, including days
21 counted under subsection (4).

22 (b) The board of the district takes formal action not to
23 operate its schools for at least 180 days and the required mini-
24 mum number of hours of pupil instruction under subsection (3) in
25 a school year, including days counted under subsection (4).

26 (8) In providing the minimum number of hours of pupil
27 instruction required under subsection (3), a district shall use

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1 the following guidelines, and a district shall maintain records
2 to substantiate its compliance with the following guidelines:

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

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

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

16 (d) If a pupil in grades 9 to 12 who is enrolled in a coop-
17 erative education program or a special education pupil cannot
18 receive the required minimum number of hours of pupil instruction
19 solely because of travel time between instructional sites during
20 the school day, that travel time, up to a maximum of 3 hours per
21 school week, shall be considered to be pupil instruction time for
22 the purpose of determining whether the pupil is receiving the
23 required minimum number of hours of pupil instruction. However,
24 if a district demonstrates to the satisfaction of the department
25 that the travel time limitation under this subdivision would
26 create undue costs or hardship to the district, the department

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1 may consider more travel time to be pupil instruction time for
2 this purpose.

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

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

14 (11) Beginning in 2000-2001, a district may count up to 51
15 hours of professional development for teachers as hours of pupil
16 instruction. A district that elects to use this exception shall
17 notify the department of its election.

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