

HOUSE BILL No. 6527

October 15, 2008, Introduced by Rep. Gillard and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 20 and 32b (MCL 388.1620 and 388.1632b), as
amended by 2008 PA 268.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 20. (1) For 2007-2008, the basic foundation allowance is
2 \$8,433.00. For 2008-2009, the basic foundation allowance is
3 \$8,489.00.

4 (2) The amount of each district's foundation allowance shall
5 be calculated as provided in this section, using a basic foundation
6 allowance in the amount specified in subsection (1).

7 (3) Except as otherwise provided in this section, the amount
8 of a district's foundation allowance shall be calculated as

1 follows, using in all calculations the total amount of the
2 district's foundation allowance as calculated before any proration:

3 (a) For 2007-2008, for a district that had a foundation
4 allowance for 2006-2007, including any adjustment under subdivision
5 (f), that was at least equal to \$7,108.00 but less than \$8,385.00,
6 the district shall receive a foundation allowance in an amount
7 equal to the sum of the district's foundation allowance for 2006-
8 2007 plus the difference between \$96.00 and [(\$48.00 minus \$20.00)
9 times (the difference between the district's foundation allowance
10 for 2006-2007, including any adjustment under subdivision (f), and
11 \$7,108.00) divided by \$1,325.00]. Beginning in 2008-2009, for a
12 district that had a foundation allowance for the immediately
13 preceding state fiscal year that was at least equal to the sum of
14 \$7,108.00 plus the total dollar amount of all adjustments made from
15 2006-2007 to the immediately preceding state fiscal year in the
16 lowest foundation allowance among all districts, but less than the
17 basic foundation allowance for the immediately preceding state
18 fiscal year, the district shall receive a foundation allowance in
19 an amount equal to the sum of the district's foundation allowance
20 for the immediately preceding state fiscal year plus the difference
21 between twice the dollar amount of the adjustment from the
22 immediately preceding state fiscal year to the current state fiscal
23 year made in the basic foundation allowance and [(the dollar amount
24 of the adjustment from the immediately preceding state fiscal year
25 to the current state fiscal year made in the basic foundation
26 allowance minus \$20.00) times (the difference between the
27 district's foundation allowance for the immediately preceding state

1 fiscal year and the sum of \$7,108.00 plus the total dollar amount
2 of all adjustments made from 2006-2007 to the immediately preceding
3 state fiscal year in the lowest foundation allowance among all
4 districts) divided by the difference between the basic foundation
5 allowance for the current state fiscal year and the sum of
6 \$7,108.00 plus the total dollar amount of all adjustments made from
7 2006-2007 to the immediately preceding state fiscal year in the
8 lowest foundation allowance among all districts]. However, the
9 foundation allowance for a district that had less than the basic
10 foundation allowance for the immediately preceding state fiscal
11 year shall not exceed the basic foundation allowance for the
12 current state fiscal year.

13 (b) Except as otherwise provided in this subsection, beginning
14 in 2008-2009, for a district that in the immediately preceding
15 state fiscal year had a foundation allowance in an amount at least
16 equal to the amount of the basic foundation allowance for the
17 immediately preceding state fiscal year, the district shall receive
18 a foundation allowance in an amount equal to the sum of the
19 district's foundation allowance for the immediately preceding state
20 fiscal year plus the dollar amount of the adjustment from the
21 immediately preceding state fiscal year to the current state fiscal
22 year in the basic foundation allowance.

23 (c) For a district that in the 1994-95 state fiscal year had a
24 foundation allowance greater than \$6,500.00, the district's
25 foundation allowance is an amount equal to the sum of the
26 district's foundation allowance for the immediately preceding state
27 fiscal year plus the lesser of the increase in the basic foundation

1 allowance for the current state fiscal year, as compared to the
2 immediately preceding state fiscal year, or the product of the
3 district's foundation allowance for the immediately preceding state
4 fiscal year times the percentage increase in the United States
5 consumer price index in the calendar year ending in the immediately
6 preceding fiscal year as reported by the May revenue estimating
7 conference conducted under section 367b of the management and
8 budget act, 1984 PA 431, MCL 18.1367b.

9 (d) For a district that has a foundation allowance that is not
10 a whole dollar amount, the district's foundation allowance shall be
11 rounded up to the nearest whole dollar.

12 (e) For a district that received a payment under section 22c
13 as that section was in effect for 2001-2002, the district's 2001-
14 2002 foundation allowance shall be considered to have been an
15 amount equal to the sum of the district's actual 2001-2002
16 foundation allowance as otherwise calculated under this section
17 plus the per pupil amount of the district's equity payment for
18 2001-2002 under section 22c as that section was in effect for 2001-
19 2002.

20 (f) For a district that received a payment under section 22c
21 as that section was in effect for 2006-2007, the district's 2006-
22 2007 foundation allowance shall be considered to have been an
23 amount equal to the sum of the district's actual 2006-2007
24 foundation allowance as otherwise calculated under this section
25 plus the per pupil amount of the district's equity payment for
26 2006-2007 under section 22c as that section was in effect for 2006-
27 2007.

1 (4) Except as otherwise provided in this subsection, the state
2 portion of a district's foundation allowance is an amount equal to
3 the district's foundation allowance or the basic foundation
4 allowance for the current state fiscal year, whichever is less,
5 minus the difference between the sum of the product of the taxable
6 value per membership pupil of all property in the district that is
7 nonexempt property times the district's certified mills and, for a
8 district with certified mills exceeding 12, the product of the
9 taxable value per membership pupil of property in the district that
10 is commercial personal property times the certified mills minus 12
11 mills and the quotient of the ad valorem property tax revenue of
12 the district captured under tax increment financing acts divided by
13 the district's membership excluding special education pupils. For a
14 district described in subsection (3)(c), the state portion of the
15 district's foundation allowance is an amount equal to \$6,962.00
16 plus the difference between the district's foundation allowance for
17 the current state fiscal year and the district's foundation
18 allowance for 1998-99, minus the difference between the sum of the
19 product of the taxable value per membership pupil of all property
20 in the district that is nonexempt property times the district's
21 certified mills and, for a district with certified mills exceeding
22 12, the product of the taxable value per membership pupil of
23 property in the district that is commercial personal property times
24 the certified mills minus 12 mills and the quotient of the ad
25 valorem property tax revenue of the district captured under tax
26 increment financing acts divided by the district's membership
27 excluding special education pupils. For a district that has a

1 millage reduction required under section 31 of article IX of the
2 state constitution of 1963, the state portion of the district's
3 foundation allowance shall be calculated as if that reduction did
4 not occur.

5 (5) The allocation calculated under this section for a pupil
6 shall be based on the foundation allowance of the pupil's district
7 of residence. However, for a pupil enrolled in a district other
8 than the pupil's district of residence, if the foundation allowance
9 of the pupil's district of residence has been adjusted pursuant to
10 subsection (19), the allocation calculated under this section shall
11 not include the adjustment described in subsection (19). For a
12 pupil enrolled pursuant to section 105 or 105c in a district other
13 than the pupil's district of residence, the allocation calculated
14 under this section shall be based on the lesser of the foundation
15 allowance of the pupil's district of residence or the foundation
16 allowance of the educating district. For a pupil in membership in a
17 K-5, K-6, or K-8 district who is enrolled in another district in a
18 grade not offered by the pupil's district of residence, the
19 allocation calculated under this section shall be based on the
20 foundation allowance of the educating district if the educating
21 district's foundation allowance is greater than the foundation
22 allowance of the pupil's district of residence. The calculation
23 under this subsection shall take into account a district's per
24 pupil allocation under section 20j(2).

25 (6) For 2007-2008, subject to subsection (7) and section
26 22b(3) and except as otherwise provided in this subsection, for
27 pupils in membership, other than special education pupils, in a

1 public school academy or a university school, the allocation
2 calculated under this section is an amount per membership pupil
3 other than special education pupils in the public school academy or
4 university school equal to the sum of the local school operating
5 revenue per membership pupil other than special education pupils
6 for the district in which the public school academy or university
7 school is located and the state portion of that district's
8 foundation allowance, or \$7,475.00, whichever is less. Beginning in
9 2008-2009, subject to subsection (7) and section 22b(3) and except
10 as otherwise provided in this subsection, for pupils in membership,
11 other than special education pupils, in a public school academy or
12 a university school, the allocation calculated under this section
13 is an amount per membership pupil other than special education
14 pupils in the public school academy or university school equal to
15 the sum of the local school operating revenue per membership pupil
16 other than special education pupils for the district in which the
17 public school academy or university school is located and the state
18 portion of that district's foundation allowance, or the state
19 maximum public school academy allocation, whichever is less.
20 Notwithstanding section ~~101(2)~~ **101**, for a public school academy
21 that begins operations after the pupil membership count day, the
22 amount per membership pupil calculated under this subsection shall
23 be adjusted by multiplying that amount per membership pupil by the
24 number of hours of pupil instruction provided by the public school
25 academy after it begins operations, as determined by the
26 department, divided by the minimum number of hours of pupil
27 instruction required under section 101(3). The result of this

1 calculation shall not exceed the amount per membership pupil
2 otherwise calculated under this subsection.

3 (7) If more than 25% of the pupils residing within a district
4 are in membership in 1 or more public school academies located in
5 the district, then the amount per membership pupil calculated under
6 this section for a public school academy located in the district
7 shall be reduced by an amount equal to the difference between the
8 sum of the product of the taxable value per membership pupil of all
9 property in the district that is nonexempt property times the
10 district's certified mills and, for a district with certified mills
11 exceeding 12, the product of the taxable value per membership pupil
12 of property in the district that is commercial personal property
13 times the certified mills minus 12 mills and the quotient of the ad
14 valorem property tax revenue of the district captured under tax
15 increment financing acts divided by the district's membership
16 excluding special education pupils, in the school fiscal year
17 ending in the current state fiscal year, calculated as if the
18 resident pupils in membership in 1 or more public school academies
19 located in the district were in membership in the district. In
20 order to receive state school aid under this act, a district
21 described in this subsection shall pay to the authorizing body that
22 is the fiscal agent for a public school academy located in the
23 district for forwarding to the public school academy an amount
24 equal to that local school operating revenue per membership pupil
25 for each resident pupil in membership other than special education
26 pupils in the public school academy, as determined by the
27 department.

1 (8) If a district does not receive an amount calculated under
2 subsection (9); if the number of mills the district may levy on a
3 principal residence, qualified agricultural property, qualified
4 forest property, industrial personal property, and commercial
5 personal property under section 1211 of the revised school code,
6 MCL 380.1211, is 0.5 mills or less; and if the district elects not
7 to levy those mills, the district instead shall receive a separate
8 supplemental amount calculated under this subsection in an amount
9 equal to the amount the district would have received had it levied
10 those mills, as determined by the department of treasury. A
11 district shall not receive a separate supplemental amount
12 calculated under this subsection for a fiscal year unless in the
13 calendar year ending in the fiscal year the district levies the
14 district's certified mills on property that is nonexempt property.

15 (9) For a district that had combined state and local revenue
16 per membership pupil in the 1993-94 state fiscal year of more than
17 \$6,500.00 and that had fewer than 350 pupils in membership, if the
18 district elects not to reduce the number of mills from which a
19 principal residence, qualified agricultural property, qualified
20 forest property, industrial personal property, and commercial
21 personal property are exempt and not to levy school operating taxes
22 on a principal residence, qualified agricultural property,
23 qualified forest property, industrial personal property, and
24 commercial personal property as provided in section 1211 of the
25 revised school code, MCL 380.1211, and not to levy school operating
26 taxes on all property as provided in section 1211(2) of the revised
27 school code, MCL 380.1211, there is calculated under this

1 subsection for 1994-95 and each succeeding fiscal year a separate
2 supplemental amount in an amount equal to the amount the district
3 would have received per membership pupil had it levied school
4 operating taxes on a principal residence, qualified agricultural
5 property, qualified forest property, industrial personal property,
6 and commercial personal property at the rate authorized for the
7 district under section 1211 of the revised school code, MCL
8 380.1211, and levied school operating taxes on all property at the
9 rate authorized for the district under section 1211(2) of the
10 revised school code, MCL 380.1211, as determined by the department
11 of treasury. If in the calendar year ending in the fiscal year a
12 district does not levy the district's certified mills on property
13 that is nonexempt property, the amount calculated under this
14 subsection will be reduced by the same percentage as the millage
15 actually levied compares to the district's certified mills.

16 (10) Subject to subsection (4), for a district that is formed
17 or reconfigured after June 1, 2002 by consolidation of 2 or more
18 districts or by annexation, the resulting district's foundation
19 allowance under this section beginning after the effective date of
20 the consolidation or annexation shall be the average of the
21 foundation allowances of each of the original or affected
22 districts, calculated as provided in this section, weighted as to
23 the percentage of pupils in total membership in the resulting
24 district who reside in the geographic area of each of the original
25 or affected districts. The calculation under this subsection shall
26 take into account a district's per pupil allocation under section
27 20j(2).

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

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

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

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

24 (b) The revenue adjustment factor shall be computed by
25 dividing the sum of the estimated total state school aid fund
26 revenue for the subsequent state fiscal year plus the estimated
27 total state school aid fund revenue for the current state fiscal

1 year, adjusted for any change in the rate or base of a tax the
2 proceeds of which are deposited in that fund and excluding money
3 transferred into that fund from the countercyclical budget and
4 economic stabilization fund under the management and budget act,
5 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated
6 total school aid fund revenue for the current state fiscal year
7 plus the estimated total state school aid fund revenue for the
8 immediately preceding state fiscal year, adjusted for any change in
9 the rate or base of a tax the proceeds of which are deposited in
10 that fund. If a consensus revenue factor is not determined at the
11 revenue estimating conference, the principals of the revenue
12 estimating conference shall report their estimates to the house and
13 senate subcommittees responsible for school aid appropriations not
14 later than 7 days after the conclusion of the revenue conference.

15 (c) The index shall be calculated by multiplying the pupil
16 membership factor by the revenue adjustment factor. However, for
17 2008-2009, the index shall be 1.00. If a consensus index is not
18 determined at the revenue estimating conference, the principals of
19 the revenue estimating conference shall report their estimates to
20 the house and senate subcommittees responsible for school aid
21 appropriations not later than 7 days after the conclusion of the
22 revenue conference.

23 (14) If the principals at the revenue estimating conference
24 reach a consensus on the index described in subsection (13)(c), the
25 lowest foundation allowance among all districts for the subsequent
26 state fiscal year shall be at least the amount of that consensus
27 index multiplied by the lowest foundation allowance among all

1 districts for the immediately preceding state fiscal year.

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

11 (16) For a district that had combined state and local revenue
12 per membership pupil in the 1993-94 state fiscal year of more than
13 \$6,500.00, that had fewer than 7 pupils in membership in the 1993-
14 94 state fiscal year, that has at least 1 child educated in the
15 district in the current state fiscal year, and that levies the
16 number of mills of school operating taxes authorized for the
17 district under section 1211 of the revised school code, MCL
18 380.1211, a minimum amount of combined state and local revenue
19 shall be calculated for the district as provided under this
20 subsection. The minimum amount of combined state and local revenue
21 for 1999-2000 shall be \$67,000.00 plus the district's additional
22 expenses to educate pupils in grades 9 to 12 educated in other
23 districts as determined and allowed by the department. The minimum
24 amount of combined state and local revenue under this subsection,
25 before adding the additional expenses, shall increase each fiscal
26 year by the same percentage increase as the percentage increase in
27 the basic foundation allowance from the immediately preceding

1 fiscal year to the current fiscal year. The state portion of the
2 minimum amount of combined state and local revenue under this
3 subsection shall be calculated by subtracting from the minimum
4 amount of combined state and local revenue under this subsection
5 the sum of the district's local school operating revenue and an
6 amount equal to the product of the sum of the state portion of the
7 district's foundation allowance plus the amount calculated under
8 section 20j times the district's membership. As used in this
9 subsection, "additional expenses" means the district's expenses for
10 tuition or fees, not to exceed the basic foundation allowance for
11 the current state fiscal year, plus a room and board stipend not to
12 exceed \$10.00 per school day for each pupil in grades 9 to 12
13 educated in another district, as approved by the department.

14 (17) For a district in which 7.75 mills levied in 1992 for
15 school operating purposes in the 1992-93 school year were not
16 renewed in 1993 for school operating purposes in the 1993-94 school
17 year, the district's combined state and local revenue per
18 membership pupil shall be recalculated as if that millage reduction
19 did not occur and the district's foundation allowance shall be
20 calculated as if its 1994-95 foundation allowance had been
21 calculated using that recalculated 1993-94 combined state and local
22 revenue per membership pupil as a base. A district is not entitled
23 to any retroactive payments for fiscal years before 2000-2001 due
24 to this subsection.

25 (18) For a district in which an industrial facilities
26 exemption certificate that abated taxes on property with a state
27 equalized valuation greater than the total state equalized

1 valuation of the district at the time the certificate was issued or
2 \$700,000,000.00, whichever is greater, was issued under 1974 PA
3 198, MCL 207.551 to 207.572, before the calculation of the
4 district's 1994-95 foundation allowance, the district's foundation
5 allowance for 2002-2003 is an amount equal to the sum of the
6 district's foundation allowance for 2002-2003, as otherwise
7 calculated under this section, plus \$250.00.

8 (19) For a district that received a grant under former section
9 32e for 2001-2002, the district's foundation allowance for 2002-
10 2003 and each succeeding fiscal year shall be adjusted to be an
11 amount equal to the sum of the district's foundation allowance, as
12 otherwise calculated under this section, plus the quotient of 100%
13 of the amount of the grant award to the district for 2001-2002
14 under former section 32e divided by the number of pupils in the
15 district's membership for 2001-2002 who were residents of and
16 enrolled in the district. Except as otherwise provided in this
17 subsection, a district qualifying for a foundation allowance
18 adjustment under this subsection shall use the funds resulting from
19 this adjustment for at least 1 of grades K to 3 for purposes
20 allowable under former section 32e as in effect for 2001-2002, and
21 may also use these funds for an early intervening program described
22 in subsection (20). For an individual school or schools operated by
23 a district qualifying for a foundation allowance under this
24 subsection that have been determined by the department to meet the
25 adequate yearly progress standards of the federal no child left
26 behind act of 2001, Public Law 107-110, in both mathematics and
27 English language arts at all applicable grade levels for all

1 applicable subgroups, the district may submit to the department an
2 application for flexibility in using the funds resulting from this
3 adjustment that are attributable to the pupils in the school or
4 schools. The application shall identify the affected school or
5 schools and the affected funds and shall contain a plan for using
6 the funds for specific purposes identified by the district that are
7 designed to reduce class size, but that may be different from the
8 purposes otherwise allowable under this subsection. The department
9 shall approve the application if the department determines that the
10 purposes identified in the plan are reasonably designed to reduce
11 class size. If the department does not act to approve or disapprove
12 an application within 30 days after it is submitted to the
13 department, the application is considered to be approved. If an
14 application for flexibility in using the funds is approved, the
15 district may use the funds identified in the application for any
16 purpose identified in the plan.

17 (20) An early intervening program that uses funds resulting
18 from the adjustment under subsection (19) shall meet either or both
19 of the following:

20 (a) Shall monitor individual pupil learning for pupils in
21 grades K to 3 and provide specific support or learning strategies
22 to pupils in grades K to 3 as early as possible in order to reduce
23 the need for special education placement. The program shall include
24 literacy and numeracy supports, sensory motor skill development,
25 behavior supports, instructional consultation for teachers, and the
26 development of a parent/school learning plan. Specific support or
27 learning strategies may include support in or out of the general

1 classroom in areas including reading, writing, math, visual memory,
2 motor skill development, behavior, or language development. These
3 would be provided based on an understanding of the individual
4 child's learning needs.

5 (b) Shall provide early intervening strategies for pupils in
6 grades K to 3 using schoolwide systems of academic and behavioral
7 supports and shall be scientifically research-based. The strategies
8 to be provided shall include at least pupil performance indicators
9 based upon response to intervention, instructional consultation for
10 teachers, and ongoing progress monitoring. A schoolwide system of
11 academic and behavioral support should be based on a support team
12 available to the classroom teachers. The members of this team could
13 include the principal, special education staff, reading teachers,
14 and other appropriate personnel who would be available to
15 systematically study the needs of the individual child and work
16 with the teacher to match instruction to the needs of the
17 individual child.

18 (21) For a district that levied 1.9 mills in 1993 to finance
19 an operating deficit, the district's foundation allowance shall be
20 calculated as if those mills were included as operating mills in
21 the calculation of the district's 1994-1995 foundation allowance. A
22 district is not entitled to any retroactive payments for fiscal
23 years before 2006-2007 due to this subsection. A district receiving
24 an adjustment under this subsection shall not receive more than
25 \$800,000.00 for a fiscal year as a result of this adjustment.

26 (22) For a district that levied 2.23 mills in 1993 to finance
27 an operating deficit, the district's foundation allowance shall be

1 calculated as if those mills were included as operating mills in
2 the calculation of the district's 1994-1995 foundation allowance. A
3 district is not entitled to any retroactive payments for fiscal
4 years before 2006-2007 due to this subsection. A district receiving
5 an adjustment under this subsection shall not receive more than
6 \$500,000.00 for a fiscal year as a result of this adjustment.

7 (23) Payments to districts, university schools, or public
8 school academies shall not be made under this section. Rather, the
9 calculations under this section shall be used to determine the
10 amount of state payments under section 22b.

11 (24) If an amendment to section 2 of article VIII of the state
12 constitution of 1963 allowing state aid to some or all nonpublic
13 schools is approved by the voters of this state, each foundation
14 allowance or per pupil payment calculation under this section may
15 be reduced.

16 (25) As used in this section:

17 (a) "Certified mills" means the lesser of 18 mills or the
18 number of mills of school operating taxes levied by the district in
19 1993-94.

20 (b) "Combined state and local revenue" means the aggregate of
21 the district's state school aid received by or paid on behalf of
22 the district under this section and the district's local school
23 operating revenue.

24 (c) "Combined state and local revenue per membership pupil"
25 means the district's combined state and local revenue divided by
26 the district's membership excluding special education pupils.

27 (d) "Current state fiscal year" means the state fiscal year

1 for which a particular calculation is made.

2 (e) "Immediately preceding state fiscal year" means the state
3 fiscal year immediately preceding the current state fiscal year.

4 (f) "Local school operating revenue" means school operating
5 taxes levied under section 1211 of the revised school code, MCL
6 380.1211.

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

10 (h) "Maximum public school academy allocation" means the
11 maximum per-pupil allocation as calculated by adding the highest
12 per-pupil allocation among all public school academies for the
13 immediately preceding state fiscal year plus the difference between
14 twice the dollar amount of the adjustment from the immediately
15 preceding state fiscal year to the current state fiscal year made
16 in the basic foundation allowance and [(the dollar amount of the
17 adjustment from the immediately preceding state fiscal year to the
18 current state fiscal year made in the basic foundation allowance
19 minus ~~\$50.00~~ \$20.00) times (the difference between the highest per-
20 pupil allocation among all public school academies for the
21 immediately preceding state fiscal year and the sum of \$7,108.00
22 plus the total dollar amount of all adjustments made from 2006-2007
23 to the immediately preceding state fiscal year in the lowest per-
24 pupil allocation among all public school academies) divided by the
25 difference between the basic foundation allowance for the current
26 state fiscal year and the sum of \$7,108.00 plus the total dollar
27 amount of all adjustments made from 2006-2007 to the immediately

1 preceding state fiscal year in the lowest per-pupil allocation
2 among all public school academies].

3 (i) "Membership" means the definition of that term under
4 section 6 as in effect for the particular fiscal year for which a
5 particular calculation is made.

6 (j) "Nonexempt property" means property that is not a
7 principal residence, qualified agricultural property, qualified
8 forest property, industrial personal property, or commercial
9 personal property.

10 (k) "Principal residence", "qualified agricultural property",
11 "qualified forest property", "industrial personal property", and
12 "commercial personal property" mean those terms as defined in
13 section 7dd of the general property tax act, 1893 PA 206, MCL
14 211.7dd, and section 1211 of the revised school code, MCL 380.1211.

15 (l) "School operating purposes" means the purposes included in
16 the operation costs of the district as prescribed in sections 7 and
17 18.

18 (m) "School operating taxes" means local ad valorem property
19 taxes levied under section 1211 of the revised school code, MCL
20 380.1211, and retained for school operating purposes.

21 (n) "Tax increment financing acts" means 1975 PA 197, MCL
22 125.1651 to 125.1681, the tax increment finance authority act, 1980
23 PA 450, MCL 125.1801 to 125.1830, the local development financing
24 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
25 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
26 or the corridor improvement authority act, 2005 PA 280, MCL
27 125.2871 to 125.2899.

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

6 Sec. 32b. (1) From the funds appropriated under section 11,
7 there is allocated an amount not to exceed \$6,750,000.00 for 2008-
8 2009 for competitive grants to intermediate districts for the
9 creation and continuance of great start communities or other
10 community purposes as identified by the early childhood investment
11 corporation. These dollars may not be expended until both of the
12 following conditions have been met:

13 (a) The early childhood investment corporation has identified
14 matching dollars of at least an amount equal to the amount of the
15 matching dollars for 2006-2007.

16 (b) The executive committee shall ~~consist of~~ **INCLUDE, BUT IS**
17 **NOT LIMITED TO,** 4 members appointed by the governor. The governor
18 shall appoint 1 member from among nominees submitted by the senate
19 majority leader, 1 member from among nominees submitted by the
20 senate minority leader, 1 member from among nominees submitted by
21 the speaker of the house of representatives, and 1 member from
22 among nominees submitted by the minority leader of the house of
23 representatives. The governor shall appoint these members not later
24 than 60 days after the convening of the legislative session in each
25 odd-numbered year. A member **APPOINTED BY THE GOVERNOR** shall serve
26 on the executive committee through that regular legislative session
27 unless he or she voluntarily resigns or is otherwise unable to

1 serve. When a vacancy occurs **AMONG THE MEMBERS APPOINTED BY THE**
2 **GOVERNOR** as a result of a voluntary resignation or inability to
3 serve, the governor shall make an appointment to fill that vacancy
4 in the same manner as the original appointment not later than 60
5 days after the date the vacancy occurs.

6 (2) The early childhood investment corporation shall award
7 grants to eligible intermediate districts in an amount to be
8 determined by the corporation.

9 (3) In order to receive funding, each intermediate district
10 applicant shall agree to convene local great start collaboratives
11 to address the availability of the 6 components of a great start
12 system in its communities: physical health, social-emotional
13 health, family supports, basic needs, economic stability and
14 safety, and parenting education and early education and care, to
15 ensure that every child in the community is ready for kindergarten.
16 Specifically, each grant will fund the following:

17 (a) The completion of a community needs assessment and
18 strategic plan for the creation of a comprehensive system of early
19 childhood services and supports, accessible to all children from
20 birth to kindergarten and their families.

21 (b) Identification of local resources and services for
22 children with disabilities, developmental delays, or special needs
23 and their families.

24 (c) Coordination and expansion of high-quality early childhood
25 and childcare programs.

26 (d) Evaluation of local programs.

27 (4) Not later than December 1 of each fiscal year, for the

1 grants awarded under this section for the immediately preceding
2 fiscal year, the department shall provide to the house and senate
3 appropriations subcommittees on state school aid, the state budget
4 director, and the house and senate fiscal agencies a report
5 detailing the amount of each grant awarded under this section, the
6 grant recipients, the activities funded by each grant under this
7 section, and an analysis of each grant recipient's success in
8 addressing the development of a comprehensive system of early
9 childhood services and supports.

10 (5) An intermediate district receiving funds under this
11 section may carry over any unexpended funds received under this
12 section into the next fiscal year and may expend those unused funds
13 in the next fiscal year. A recipient of a grant shall return any
14 unexpended grant funds to the department in the manner prescribed
15 by the department not later than September 30 of the next fiscal
16 year after the fiscal year in which the funds are received.

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