

SENATE BILL No. 137

January 31, 2007, Introduced by Senator JACOBS and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending section 20 (MCL 388.1620), as amended by 2006 PA 342.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 20. (1) For 2005-2006, the basic foundation allowance is
2 \$6,875.00. For 2006-2007, the basic foundation allowance is
3 \$7,085.00.

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

1 (a) Except as otherwise provided in this subsection, for a
2 district that in the immediately preceding state fiscal year had a
3 foundation allowance in an amount at least equal to the amount of
4 the basic foundation allowance for the immediately preceding state
5 fiscal year, the district shall receive a foundation allowance in
6 an amount equal to the sum of the district's foundation allowance
7 for the immediately preceding state fiscal year plus the dollar
8 amount of the adjustment from the immediately preceding state
9 fiscal year to the current state fiscal year in the basic
10 foundation allowance. However, for 2002-2003, the foundation
11 allowance for a district under this subdivision is an amount equal
12 to the sum of the district's foundation allowance for the
13 immediately preceding state fiscal year plus \$200.00.

14 (b) For a district that in the 1994-95 state fiscal year had a
15 foundation allowance greater than \$6,500.00, the district's
16 foundation allowance is an amount equal to the sum of the
17 district's foundation allowance for the immediately preceding state
18 fiscal year plus the lesser of the increase in the basic foundation
19 allowance for the current state fiscal year, as compared to the
20 immediately preceding state fiscal year, or the product of the
21 district's foundation allowance for the immediately preceding state
22 fiscal year times the percentage increase in the United States
23 consumer price index in the calendar year ending in the immediately
24 preceding fiscal year as reported by the May revenue estimating
25 conference conducted under section 367b of the management and
26 budget act, 1984 PA 431, MCL 18.1367b. For 2002-2003, for a
27 district that in the 1994-95 state fiscal year had a foundation

1 allowance greater than \$6,500.00, the district's foundation
2 allowance is an amount equal to the sum of the district's
3 foundation allowance for the immediately preceding state fiscal
4 year plus the lesser of \$200.00 or the product of the district's
5 foundation allowance for the immediately preceding state fiscal
6 year times the percentage increase in the United States consumer
7 price index in the calendar year ending in the immediately
8 preceding fiscal year as reported by the May revenue estimating
9 conference conducted under section 367b of the management and
10 budget act, 1984 PA 431, MCL 18.1367b.

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

14 (d) For a district that received a payment under section 22c
15 as that section was in effect for 2001-2002, the district's 2001-
16 2002 foundation allowance shall be considered to have been an
17 amount equal to the sum of the district's actual 2001-2002
18 foundation allowance as otherwise calculated under this section
19 plus the per pupil amount of the district's equity payment for
20 2001-2002 under section 22c as that section was in effect for 2001-
21 2002.

22 (e) It is the intent of the legislature that beginning in
23 2007-2008, for a district that receives a payment under section 22c
24 for 2006-2007, the district's 2006-2007 foundation allowance shall
25 be considered to have been an amount equal to the sum of the
26 district's actual 2006-2007 foundation allowance as otherwise
27 calculated under this section plus the per pupil amount of the

1 district's equity payment for 2006-2007 under section 22c.

2 (4) Except as otherwise provided in this subsection, the state
3 portion of a district's foundation allowance is an amount equal to
4 the district's foundation allowance or \$6,500.00, whichever is
5 less, minus the difference between the product of the taxable value
6 per membership pupil of all property in the district that is not a
7 principal residence or qualified agricultural property times the
8 lesser of 18 mills or the number of mills of school operating taxes
9 levied by the district in 1993-94 and the quotient of the ad
10 valorem property tax revenue of the district captured under 1975 PA
11 197, MCL 125.1651 to 125.1681, the tax increment finance authority
12 act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development
13 financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the
14 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651
15 to 125.2672, divided by the district's membership excluding special
16 education pupils. For a district described in subsection (3)(b),
17 the state portion of the district's foundation allowance is an
18 amount equal to \$6,962.00 plus the difference between the
19 district's foundation allowance for the current state fiscal year
20 and the district's foundation allowance for 1998-99, minus the
21 difference between the product of the taxable value per membership
22 pupil of all property in the district that is not a principal
23 residence or qualified agricultural property times the lesser of 18
24 mills or the number of mills of school operating taxes levied by
25 the district in 1993-94 and the quotient of the ad valorem property
26 tax revenue of the district captured under 1975 PA 197, MCL
27 125.1651 to 125.1681, the tax increment finance authority act, 1980

1 PA 450, MCL 125.1801 to 125.1830, the local development financing
2 act, 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield
3 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
4 divided by the district's membership excluding special education
5 pupils. For a district that has a millage reduction required under
6 section 31 of article IX of the state constitution of 1963, the
7 state portion of the district's foundation allowance shall be
8 calculated as if that reduction did not occur. The \$6,500.00 amount
9 prescribed in this subsection shall be adjusted each year by an
10 amount equal to the dollar amount of the difference between the
11 basic foundation allowance for the current state fiscal year and
12 \$5,000.00, minus \$200.00.

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

1 foundation allowance of the educating district if the educating
2 district's foundation allowance is greater than the foundation
3 allowance of the pupil's district of residence. The calculation
4 under this subsection shall take into account a district's per
5 pupil allocation under section 20j(2).

6 (6) Subject to subsection (7) and section 22b(3) and except as
7 otherwise provided in this subsection, for pupils in membership,
8 other than special education pupils, in a public school academy or
9 a university school, the allocation calculated under this section
10 is an amount per membership pupil other than special education
11 pupils in the public school academy or university school equal to
12 the sum of the local school operating revenue per membership pupil
13 other than special education pupils for the district in which the
14 public school academy or university school is located and the state
15 portion of that district's foundation allowance, or the sum of the
16 basic foundation allowance under subsection (1) plus \$300.00,
17 whichever is less. Notwithstanding section 101(2), for a public
18 school academy that begins operations after the pupil membership
19 count day, the amount per membership pupil calculated under this
20 subsection shall be adjusted by multiplying that amount per
21 membership pupil by the number of hours of pupil instruction
22 provided by the public school academy after it begins operations,
23 as determined by the department, divided by the minimum number of
24 hours of pupil instruction required under section 101(3). The
25 result of this calculation shall not exceed the amount per
26 membership pupil otherwise calculated under this subsection.

27 (7) If more than 25% of the pupils residing within a district

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

27 (8) If a district does not receive an amount calculated under

1 subsection (9); if the number of mills the district may levy on a
2 principal residence and qualified agricultural property under
3 section 1211(1) of the revised school code, MCL 380.1211, is 0.5
4 mills or less; and if the district elects not to levy those mills,
5 the district instead shall receive a separate supplemental amount
6 calculated under this subsection in an amount equal to the amount
7 the district would have received had it levied those mills, as
8 determined by the department of treasury. A district shall not
9 receive a separate supplemental amount calculated under this
10 subsection for a fiscal year unless in the calendar year ending in
11 the fiscal year the district levies 18 mills or the number of mills
12 of school operating taxes levied by the district in 1993, whichever
13 is less, on property that is not a principal residence or qualified
14 agricultural 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 and qualified agricultural property are exempt
20 and not to levy school operating taxes on a principal residence and
21 qualified agricultural property as provided in section 1211(1) of
22 the revised school code, MCL 380.1211, and not to levy school
23 operating taxes on all property as provided in section 1211(2) of
24 the revised school code, MCL 380.1211, there is calculated under
25 this subsection for 1994-95 and each succeeding fiscal year a
26 separate supplemental amount in an amount equal to the amount the
27 district would have received per membership pupil had it levied

1 school operating taxes on a principal residence and qualified
2 agricultural property at the rate authorized for the district under
3 section 1211(1) of the revised school code, MCL 380.1211, and
4 levied school operating taxes on all property at the rate
5 authorized for the district under section 1211(2) of the revised
6 school code, MCL 380.1211, as determined by the department of
7 treasury. If in the calendar year ending in the fiscal year a
8 district does not levy 18 mills or the number of mills of school
9 operating taxes levied by the district in 1993, whichever is less,
10 on property that is not a principal residence or qualified
11 agricultural property, the amount calculated under this subsection
12 will be reduced by the same percentage as the millage actually
13 levied compares to the 18 mills or the number of mills levied in
14 1993, whichever is less.

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

27 (11) Each fraction used in making calculations under this

1 section shall be rounded to the fourth decimal place and the dollar
2 amount of an increase in the basic foundation allowance shall be
3 rounded to the nearest whole dollar.

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

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

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

23 (b) The revenue adjustment factor shall be computed by
24 dividing the sum of the estimated total state school aid fund
25 revenue for the subsequent state fiscal year plus the estimated
26 total state school aid fund revenue for the current state fiscal
27 year, adjusted for any change in the rate or base of a tax the

1 proceeds of which are deposited in that fund and excluding money
2 transferred into that fund from the countercyclical budget and
3 economic stabilization fund under section 353e of the management
4 and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the
5 estimated total school aid fund revenue for the current state
6 fiscal year plus the estimated total state school aid fund revenue
7 for the immediately preceding state fiscal year, adjusted for any
8 change in the rate or base of a tax the proceeds of which are
9 deposited in that fund. If a consensus revenue factor is not
10 determined at the revenue estimating conference, the principals of
11 the revenue estimating conference shall report their estimates to
12 the house and senate subcommittees responsible for school aid
13 appropriations not later than 7 days after the conclusion of the
14 revenue conference.

15 (c) The index shall be calculated by multiplying the pupil
16 membership factor by the revenue adjustment factor. However, for
17 2005-2006 and 2006-2007, the index shall be 1.00. If a consensus
18 index is not determined at the revenue estimating conference, the
19 principals of the revenue estimating conference shall report their
20 estimates to the house and senate subcommittees responsible for
21 school aid appropriations not later than 7 days after the
22 conclusion of the 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 basic foundation allowance for the subsequent state fiscal year
26 shall be at least the amount of that consensus index multiplied by
27 the basic foundation allowance specified in subsection (1).

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

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

1 minimum amount of combined state and local revenue under this
2 subsection shall be calculated by subtracting from the minimum
3 amount of combined state and local revenue under this subsection
4 the sum of the district's local school operating revenue and an
5 amount equal to the product of the sum of the state portion of the
6 district's foundation allowance plus the amount calculated under
7 section 20j times the district's membership. As used in this
8 subsection, "additional expenses" means the district's expenses for
9 tuition or fees, not to exceed \$6,500.00 as adjusted each year by
10 an amount equal to the dollar amount of the difference between the
11 basic foundation allowance for the current state fiscal year and
12 \$5,000.00, minus \$200.00, plus a room and board stipend not to
13 exceed \$10.00 per school day for each pupil in grades 9 to 12
14 educated in another district, as approved by the department.

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

26 (18) For a district in which an industrial facilities
27 exemption certificate that abated taxes on property with a state

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

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

English language arts at all applicable grade levels for all applicable subgroups, the district may submit to the department an application for flexibility in using the funds resulting from this adjustment that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to reduce class size, but that may be different from the purposes otherwise allowable under this subsection. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to reduce class size. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

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

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

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

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

19 (21) For a district that levied 1.9 mills in 1993 to finance
20 an operating deficit, the district's foundation allowance shall be
21 calculated as if those mills were included as operating mills in
22 the calculation of the district's 1994-1995 foundation allowance. A
23 district is not entitled to any retroactive payments for fiscal
24 years before 2006-2007 due to this subsection. A district receiving
25 an adjustment under this subsection shall not receive more than
26 \$800,000.00 for a fiscal year as a result of this adjustment.

27 (22) For a district that levied 2.23 mills in 1993 to finance

1 an operating deficit, the district's foundation allowance shall be
2 calculated as if those mills were included as operating mills in
3 the calculation of the district's 1994-1995 foundation allowance. A
4 district is not entitled to any retroactive payments for fiscal
5 years before 2006-2007 due to this subsection. A district receiving
6 an adjustment under this subsection shall not receive more than
7 \$500,000.00 for a fiscal year as a result of this adjustment.

8 (23) BEGINNING IN 2006-2007, FOR A DISTRICT THAT ELECTS BY
9 BOARD RESOLUTION UNDER SECTION 1211(2) OF THE REVISED SCHOOL CODE,
10 MCL 380.1211, TO EXEMPT A PRINCIPAL RESIDENCE AND QUALIFIED
11 AGRICULTURAL PROPERTY FROM SOME OR ALL OF THE MILLS LEVIED UNDER
12 THAT SUBSECTION, THE DISTRICT SHALL RECEIVE AS PART OF ITS
13 FOUNDATION ALLOWANCE A SEPARATE SUPPLEMENTAL PAYMENT UNDER THIS
14 SUBSECTION TO REIMBURSE THE DISTRICT FOR THAT EXEMPTION. THE AMOUNT
15 OF THIS SEPARATE SUPPLEMENTAL PAYMENT SHALL BE AN AMOUNT EQUAL TO
16 THE AMOUNT OF THE PROPERTY TAX REVENUE THE DISTRICT WOULD HAVE
17 RECEIVED IN THE TAX YEAR ENDING IN THE FISCAL YEAR IF THE BOARD OF
18 THE DISTRICT HAD NOT ADOPTED THE BOARD RESOLUTION. THIS SEPARATE
19 SUPPLEMENTAL PAYMENT SHALL BE ADDED TO THE DISTRICT'S FOUNDATION
20 ALLOWANCE UNDER THIS SECTION.

21 (24) ~~(23)~~—Payments to districts, university schools, or public
22 school academies shall not be made under this section. Rather, the
23 calculations under this section shall be used to determine the
24 amount of state payments under section 22b.

25 (25) ~~(24)~~—If an amendment to section 2 of article VIII of the
26 state constitution of 1963 allowing state aid to some or all
27 nonpublic schools is approved by the voters of this state, each

1 foundation allowance or per pupil payment calculation under this
2 section may be reduced.

3 (26) ~~(25)~~—As used in this section:

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

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

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

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

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

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

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

24 (h) "Principal residence" and "qualified agricultural
25 property" mean those terms as defined in section 7dd of the general
26 property tax act, 1893 PA 206, MCL 211.7dd.

27 (i) "School operating purposes" means the purposes included in

1 the operation costs of the district as prescribed in sections 7 and
2 18.

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

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