

HOUSE BILL NO. 5310

December 02, 2025, Introduced by Reps. Outman, BeGole, Neyer, Wortz, Tate, Greene, Wilson and Schriver and referred to Committee on Education and Workforce.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 6, 20, 105, 105c, and 111 (MCL 388.1603,
388.1606, 388.1620, 388.1705, 388.1705c, and 388.1711), sections 3,
6, 20, and 111 as amended by 2025 PA 15 and sections 105 and 105c
as amended by 2021 PA 48, and by adding section 105d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) "Average daily attendance", for the purposes of
2 complying with federal law, means 92% of the pupils counted in
3 membership on the pupil membership count day, as defined in section

1 6(7).

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

4 (3) "Center" means the center for educational performance and
5 information created in section 94a.

6 (4) "Community district" means a school district organized
7 under part 5b of the revised school code, MCL 380.381 to 380.396.

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

15 (6) "Department", except as otherwise provided in this
16 article, means the department of education.

17 (7) "District" means, except as otherwise specifically
18 provided in this act, a local school district established under the
19 revised school code or, except in sections 6(4), 6(6), 11x, 11y,
20 11aa, 12c, 13, 20, 22a, 22p, 31a, 51a(14), 105, 105c, **105d**, and
21 166b, a public school academy. Except in section 20, district also
22 includes a community district.

23 (8) "District of residence", except as otherwise provided in
24 this subsection, means the district in which a pupil's custodial
25 parent or parents or legal guardian resides. For a pupil described
26 in section 24b, the pupil's district of residence is the district
27 in which the pupil enrolls under that section. For a pupil
28 described in section 6(4)(d), the pupil's district of residence is
29 considered to be the district or intermediate district in which the

1 pupil is counted in membership under that section. For a pupil
2 under court jurisdiction who is placed outside the district in
3 which the pupil's custodial parent or parents or legal guardian
4 resides, the pupil's district of residence is considered to be the
5 educating district or educating intermediate district.

6 (9) "District superintendent" means the superintendent of a
7 district or the chief administrator of a public school academy.

8 Sec. 6. (1) "Center program" means a program operated by a
9 district or by an intermediate district for special education
10 pupils from several districts in programs for pupils with autism
11 spectrum disorder, pupils with severe cognitive impairment, pupils
12 with moderate cognitive impairment, pupils with severe multiple
13 impairments, pupils with hearing impairment, pupils with visual
14 impairment, and pupils with physical impairment or other health
15 impairment. Programs for pupils with emotional impairment housed in
16 buildings that do not serve regular education pupils also qualify.
17 Unless otherwise approved by the department, a center program
18 either serves all constituent districts within an intermediate
19 district or serves several districts with less than 50% of the
20 pupils residing in the operating district. In addition, special
21 education center program pupils placed part-time in noncenter
22 programs to comply with the least restrictive environment
23 provisions of section 1412 of the individuals with disabilities
24 education act, 20 USC 1412, may be considered center program pupils
25 for pupil accounting purposes for the time scheduled in either a
26 center program or a noncenter program.

27 (2) "District and high school graduation rate" means the
28 annual completion and pupil dropout rate that is calculated by the
29 center pursuant to nationally recognized standards.

1 (3) "District and high school graduation report" means a
2 report of the number of pupils, excluding adult education
3 participants, in the district for the immediately preceding school
4 year, adjusted for those pupils who have transferred into or out of
5 the district or high school, who leave high school with a diploma
6 or other credential of equal status.

7 (4) "Membership", except as otherwise provided in this
8 article, means for a district, a public school academy, or an
9 intermediate district the sum of the product of .90 times the
10 number of full-time equated pupils in grades K to 12 actually
11 enrolled and in regular daily attendance in the district, public
12 school academy, or intermediate district on the pupil membership
13 count day for the current school year, plus the product of .10
14 times the final audited count from the supplemental count day of
15 full-time equated pupils in grades K to 12 actually enrolled and in
16 regular daily attendance in the district, public school academy, or
17 intermediate district for the immediately preceding school year. A
18 district's, public school academy's, or intermediate district's
19 membership is adjusted as provided under section 25e for pupils who
20 enroll after the pupil membership count day in a strict discipline
21 academy operating under sections 1311b to 1311m of the revised
22 school code, MCL 380.1311b to 380.1311m. All pupil counts used in
23 this subsection are as determined by the department and calculated
24 by adding the number of pupils registered for attendance plus
25 pupils received by transfer and minus pupils lost as defined by
26 rules promulgated by the superintendent, and as corrected by a
27 subsequent department audit. The amount of the foundation allowance
28 for a pupil in membership is determined under section 20. In making
29 the calculation of membership, all of the following, as applicable,

1 apply to determining the membership of a district, a public school
2 academy, or an intermediate district:

3 (a) Except as otherwise provided in this subsection, and
4 pursuant to subsection (6), a pupil is counted in membership in the
5 pupil's educating district or districts. Except as otherwise
6 provided in this subsection, an individual pupil must not be
7 counted for more than a total of 1.0 full-time equated membership.

8 (b) If a pupil is educated in a district other than the
9 pupil's district of residence, if the pupil is not being educated
10 as part of a cooperative education program, if the pupil's district
11 of residence does not give the educating district its approval to
12 count the pupil in membership in the educating district, and if the
13 pupil is not covered by an exception specified in subsection (6) to
14 the requirement that the educating district must have the approval
15 of the pupil's district of residence to count the pupil in
16 membership, the pupil is not counted in membership in any district.

17 (c) A special education pupil educated by the intermediate
18 district is counted in membership in the intermediate district.

19 (d) A pupil placed by a court or state agency in an on-grounds
20 program of a juvenile detention facility, a child caring
21 institution, or a mental health institution, or a pupil funded
22 under section 53a, is counted in membership in the district or
23 intermediate district approved by the department to operate the
24 program.

25 (e) A pupil enrolled in the Michigan Schools for the Deaf and
26 Blind is counted in membership in the pupil's intermediate district
27 of residence.

28 (f) A pupil enrolled in a career and technical education
29 program supported by a millage levied over an area larger than a

1 single district or in an area vocational-technical education
2 program established under section 690 of the revised school code,
3 MCL 380.690, is counted in membership only in the pupil's district
4 of residence.

5 (g) A pupil enrolled in a public school academy is counted in
6 membership in the public school academy.

7 (h) For the purposes of this section and section 6a, for a
8 cyber school, as that term is defined in section 551 of the revised
9 school code, MCL 380.551, that is in compliance with section 553a
10 of the revised school code, MCL 380.553a, a pupil's participation
11 in the cyber school's educational program is considered regular
12 daily attendance, and for a district or public school academy, a
13 pupil's participation in a virtual course as that term is defined
14 in section 21f is considered regular daily attendance. Beginning
15 July 1, 2021, this subdivision is subject to section 8c. It is the
16 intent of the legislature that the immediately preceding sentence
17 apply retroactively and is effective July 1, 2021. For the purposes
18 of this subdivision, for a pupil enrolled in a cyber school, all of
19 the following apply with regard to the participation requirement as
20 described in this subdivision:

21 (i) Except as otherwise provided in this subdivision, the pupil
22 shall participate in each scheduled course on pupil membership
23 count day or supplemental count day, as applicable. If the pupil is
24 absent on pupil membership count day or supplemental count day, as
25 applicable, the pupil must attend and participate in class during
26 the next 10 consecutive school days if the absence was unexcused,
27 or during the next 30 calendar days if the absence was excused.

28 (ii) For a pupil who is not learning sequentially, 1 or more of
29 the following must be met on pupil membership count day or

1 supplemental count day, as applicable, for each scheduled course to
2 satisfy the participation requirement under this subdivision:

3 (A) The pupil attended a live lesson from the teacher.

4 (B) The pupil logged into a lesson or lesson activity and the
5 login can be documented.

6 (C) The pupil and teacher engaged in a subject-oriented
7 telephone conversation.

8 (D) There is documentation of an email dialogue between the
9 pupil and teacher.

10 (E) There is documentation of activity or work between the
11 learning coach and pupil.

12 (F) An alternate form of attendance as determined and agreed
13 upon by the cyber school and the pupil membership auditor was met.

14 (iii) For a pupil using sequential learning, the participation
15 requirement under this subdivision is satisfied if either of the
16 following occurs:

17 (A) Except as otherwise provided in this sub-subparagraph, the
18 pupil and the teacher of record or mentor complete a 2-way
19 interaction for 1 course during the week on which pupil membership
20 count day or supplemental count day, as applicable, occurs, and the
21 3 consecutive weeks following that week. However, if a school break
22 is scheduled during any of the weeks described in this sub-
23 subparagraph that is 4 or more days in length or instruction has
24 been canceled districtwide during any of the weeks described in
25 this sub-subparagraph for 3 or more school days, the district is
26 not required to ensure that the pupil and the teacher of record or
27 mentor completed a 2-way interaction for that week. As used in this
28 sub-subparagraph:

29 (I) "2-way interaction" means the communication that occurs

1 between the teacher of record or mentor and pupil, where 1 party
2 initiates communication and a response from the other party follows
3 that communication. Responses as described in this sub-sub-
4 subparagraph must be to the communication initiated by the teacher
5 of record or mentor, and not some other action taken. This
6 interaction may occur through, but is not limited to, means such as
7 email, telephone, instant messaging, or face-to-face conversation.
8 A parent- or legal-guardian-facilitated 2-way interaction is
9 considered a 2-way interaction if the pupil is in any of grades K
10 to 5 and does not yet possess the skills necessary to participate
11 in 2-way interactions unassisted. The interactions described in
12 this sub-sub-subparagraph must relate to a virtual course on the
13 pupil's schedule and pertain to course content or progress.

14 (II) "Mentor" means a professional employee of the district
15 who monitors the pupil's progress, ensures the pupil has access to
16 needed technology, is available for assistance, and ensures access
17 to the teacher of record. A mentor may also be the teacher of
18 record if the mentor meets the definition of a teacher of record
19 under this sub-subparagraph and the district is the provider for
20 the course.

21 (III) "Teacher of record" means a teacher to whom all of the
22 following apply:

23 (1) The teacher is responsible for providing instruction,
24 determining instructional methods for each pupil, diagnosing
25 learning needs, assessing pupil learning, prescribing intervention
26 strategies and modifying lessons, reporting outcomes, and
27 evaluating the effects of instruction and support strategies. The
28 teacher of record may coordinate the distribution and assignment of
29 the responsibilities described in this sub-sub-sub-subparagraph

1 with other teachers participating in the instructional process for
2 a course.

3 (2) The teacher is certified for the grade level or is working
4 under a valid substitute permit, authorization, or approval issued
5 by the department.

6 (3) The teacher has a personnel identification code provided
7 by the center.

8 (IV) "Week" means a period that starts on Wednesday and ends
9 the following Tuesday.

10 (B) The pupil completes a combination of 1 or more of the
11 following activities for each scheduled course on pupil membership
12 count day or supplemental count day, as applicable:

13 (I) Documented attendance in a virtual course where
14 synchronous, live instruction occurred with the teacher.

15 (II) Documented completion of a course assignment.

16 (III) Documented completion of a course lesson or lesson
17 activity.

18 (IV) Documented pupil access to an ongoing lesson, which does
19 not include a login.

20 (V) Documented physical attendance on pupil membership count
21 day or supplemental count day, as applicable, in each scheduled
22 course, if the pupil will attend at least 50% of the instructional
23 time for each scheduled course on-site, face-to-face with the
24 teacher of record. As used in this sub-sub-subparagraph, "teacher
25 of record" means that term as defined in subparagraph (iii) (A).

26 (iv) For purposes of subparagraph (iii), each scheduled course
27 currently being attempted by the pupil, rather than every course on
28 the pupil's schedule for the entire term, is considered a part of
29 each scheduled course for the pupil.

1 (i) For a new district or public school academy beginning its
2 operation after December 31, 1994, membership for the first 2 full
3 or partial fiscal years of operation is determined as follows:

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

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

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

1 supplemental count day.

2 (k) For an extended school year program approved by the
3 superintendent, a pupil enrolled, but not scheduled to be in
4 regular daily attendance, on a pupil membership count day, is
5 counted in membership.

6 (l) To be counted in membership, a pupil must meet the minimum
7 age requirement to be eligible to attend school under section 1147
8 of the revised school code, MCL 380.1147, and must be less than 20
9 years of age on September 1 of the school year except as follows:

10 (i) A special education pupil who is enrolled and receiving
11 instruction in a special education program or service approved by
12 the department, who does not have a high school diploma, and who is
13 less than 26 years of age as of September 1 of the current school
14 year is counted in membership.

15 (ii) A pupil who is determined by the department to meet all of
16 the following may be counted in membership:

17 (A) Is enrolled in a public school academy or an alternative
18 education high school diploma program, that is primarily focused on
19 educating pupils with extreme barriers to education, such as being
20 homeless as that term is defined under 42 USC 11302.

21 (B) Had dropped out of school.

22 (C) Is less than 22 years of age as of September 1 of the
23 current school year.

24 (iii) If a child does not meet the minimum age requirement to be
25 eligible to attend school for that school year under section 1147
26 of the revised school code, MCL 380.1147, but will be 5 years of
27 age not later than December 1 of that school year, the district may
28 count the child in membership for that school year if the parent or
29 legal guardian has notified the district in writing that the parent

1 or legal guardian intends to enroll the child in kindergarten for
2 that school year.

3 (m) An individual who has achieved a high school diploma is
4 not counted in membership. An individual who has achieved a high
5 school equivalency certificate is not counted in membership unless
6 the individual is a student with a disability as that term is
7 defined in R 340.1702 of the Michigan Administrative Code. An
8 individual participating in a job training program funded under
9 former section 107a or a jobs program funded under former section
10 107b, administered by the department of labor and economic
11 opportunity, or participating in any successor of either of those 2
12 programs, is not counted in membership.

13 (n) If a pupil counted in membership in a public school
14 academy is also educated by a district or intermediate district as
15 part of a cooperative education program, the pupil is counted in
16 membership only in the public school academy unless a written
17 agreement signed by all parties designates the party or parties in
18 which the pupil is counted in membership, and the instructional
19 time scheduled for the pupil in the district or intermediate
20 district is included in the full-time equated membership
21 determination under subdivision (q) and section 101. However, for
22 pupils receiving instruction in both a public school academy and in
23 a district or intermediate district but not as a part of a
24 cooperative education program, the following apply:

25 (i) If the public school academy provides instruction for at
26 least 1/2 of the class hours required under section 101, the public
27 school academy receives as its prorated share of the full-time
28 equated membership for each of those pupils an amount equal to 1
29 times the product of the hours of instruction the public school

1 academy provides divided by the number of hours required under
2 section 101 for full-time equivalency, and the remainder of the
3 full-time membership for each of those pupils is allocated to the
4 district or intermediate district providing the remainder of the
5 hours of instruction.

6 (ii) If the public school academy provides instruction for less
7 than 1/2 of the class hours required under section 101, the
8 district or intermediate district providing the remainder of the
9 hours of instruction receives as its prorated share of the full-
10 time equated membership for each of those pupils an amount equal to
11 1 times the product of the hours of instruction the district or
12 intermediate district provides divided by the number of hours
13 required under section 101 for full-time equivalency, and the
14 remainder of the full-time membership for each of those pupils is
15 allocated to the public school academy.

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

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

23 (q) The number of class hours used to calculate full-time
24 equated memberships must be consistent with section 101. In
25 determining full-time equated memberships for pupils who are
26 enrolled in a postsecondary institution or for pupils engaged in an
27 internship or work experience under section 1279h of the revised
28 school code, MCL 380.1279h, a pupil is not considered to be less
29 than a full-time equated pupil solely because of the effect of the

1 pupil's postsecondary enrollment or engagement in the internship or
2 work experience, including necessary travel time, on the number of
3 class hours provided by the district to the pupil.

4 (r) Full-time equated memberships for pupils in kindergarten
5 are determined by dividing the number of instructional hours
6 scheduled and provided per year per kindergarten pupil by the same
7 number used for determining full-time equated memberships for
8 pupils in grades 1 to 12. However, to the extent allowable under
9 federal law, for a district or public school academy that provides
10 evidence satisfactory to the department that it used federal title
11 I money in the 2 immediately preceding school fiscal years to fund
12 full-time kindergarten, full-time equated memberships for pupils in
13 kindergarten are determined by dividing the number of class hours
14 scheduled and provided per year per kindergarten pupil by a number
15 equal to 1/2 the number used for determining full-time equated
16 memberships for pupils in grades 1 to 12. The change in the
17 counting of full-time equated memberships for pupils in
18 kindergarten that took effect for 2012-2013 is not a mandate.

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

1 corrected by subsequent department audit, plus the final audited
2 count from the supplemental count day for the current school year,
3 and dividing that sum by 2.

4 (t) A pupil enrolled in a cooperative education program may be
5 counted in membership in the pupil's district of residence with the
6 written approval of all parties to the cooperative agreement.

7 (u) If, as a result of a disciplinary action, a district
8 determines through the district's alternative or disciplinary
9 education program that the best instructional placement for a pupil
10 is in the pupil's home or otherwise apart from the general school
11 population, if that placement is authorized in writing by the
12 district superintendent and district alternative or disciplinary
13 education supervisor, and if the district provides appropriate
14 instruction as described in this subdivision to the pupil at the
15 pupil's home or otherwise apart from the general school population,
16 the district may count the pupil in membership on a pro rata basis,
17 with the proration based on the number of hours of instruction the
18 district actually provides to the pupil divided by the number of
19 hours required under section 101 for full-time equivalency. For the
20 purposes of this subdivision, a district is considered to be
21 providing appropriate instruction if all of the following are met:

22 (i) The district provides at least 2 nonconsecutive hours of
23 instruction per week to the pupil at the pupil's home or otherwise
24 apart from the general school population under the supervision of a
25 certificated teacher.

26 (ii) The district provides instructional materials, resources,
27 and supplies that are comparable to those otherwise provided in the
28 district's alternative education program.

29 (iii) Course content is comparable to that in the district's

1 alternative education program.

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

4 (v) If a pupil was enrolled in a public school academy on the
5 pupil membership count day, if the public school academy's contract
6 with its authorizing body is revoked or the public school academy
7 otherwise ceases to operate, and if the pupil enrolls in a district
8 within 45 days after the pupil membership count day, the department
9 shall adjust the district's pupil count for the pupil membership
10 count day to include the pupil in the count.

11 (w) For a public school academy that has been in operation for
12 at least 2 years and that suspended operations for at least 1
13 semester and is resuming operations, membership is the sum of the
14 product of .90 times the number of full-time equated pupils in
15 grades K to 12 actually enrolled and in regular daily attendance on
16 the first pupil membership count day or supplemental count day,
17 whichever is first, occurring after operations resume, plus the
18 product of .10 times the final audited count from the most recent
19 pupil membership count day or supplemental count day that occurred
20 before suspending operations, as determined by the superintendent.

21 (x) If a district's membership for a particular fiscal year,
22 as otherwise calculated under this subsection, would be less than
23 1,550 pupils, the district has 4.5 or fewer pupils per square mile,
24 as determined by the department, and the district does not receive
25 funding under section 22d(2), the district's membership is
26 considered to be the membership figure calculated under this
27 subdivision. If a district educates and counts in its membership
28 pupils in grades 9 to 12 who reside in a contiguous district that
29 does not operate grades 9 to 12 and if 1 or both of the affected

1 districts request the department to use the determination allowed
2 under this sentence, the department shall include the square
3 mileage of both districts in determining the number of pupils per
4 square mile for each of the districts for the purposes of this
5 subdivision. If a district has established a community engagement
6 advisory committee in partnership with the department of treasury,
7 is required to submit a deficit elimination plan or an enhanced
8 deficit elimination plan under section 1220 of the revised school
9 code, MCL 380.1220, and is located in a city with a population
10 between 9,000 and 11,000, as determined by the department, that is
11 in a county with a population between 150,000 and 160,000, as
12 determined by the department, the district's membership is
13 considered to be the membership figure calculated under this
14 subdivision. The membership figure calculated under this
15 subdivision is the greater of the following:

16 (i) The average of the district's membership for the 3-fiscal-
17 year period ending with that fiscal year, calculated by adding the
18 district's actual membership for each of those 3 fiscal years, as
19 otherwise calculated under this subsection, and dividing the sum of
20 those 3 membership figures by 3.

21 (ii) The district's actual membership for that fiscal year as
22 otherwise calculated under this subsection.

23 (y) Full-time equated memberships for special education pupils
24 who are not enrolled in kindergarten but are enrolled in a
25 classroom program under R 340.1754 of the Michigan Administrative
26 Code are determined by dividing the number of class hours scheduled
27 and provided per year by 450. Full-time equated memberships for
28 special education pupils who are not enrolled in kindergarten but
29 are receiving early childhood special education services under R

1 340.1755 or R 340.1862 of the Michigan Administrative Code are
2 determined by dividing the number of hours of service scheduled and
3 provided per year per pupil by 180.

4 (z) A pupil of a district that begins its school year after
5 Labor Day who is enrolled in an intermediate district program that
6 begins before Labor Day is not considered to be less than a full-
7 time pupil solely due to instructional time scheduled but not
8 attended by the pupil before Labor Day.

9 (aa) For the first year in which a pupil is counted in
10 membership on the pupil membership count day in a middle college
11 program, the membership is the average of the full-time equated
12 membership on the pupil membership count day and on the
13 supplemental count day for the current school year, as determined
14 by the department. If a pupil described in this subdivision was
15 counted in membership by the operating district on the immediately
16 preceding supplemental count day, the pupil is excluded from the
17 district's immediately preceding supplemental count for the
18 purposes of determining the district's membership.

19 (bb) A district or public school academy that educates a pupil
20 who attends a United States Olympic Education Center may count the
21 pupil in membership regardless of whether or not the pupil is a
22 resident of this state.

23 (cc) A pupil enrolled in a district other than the pupil's
24 district of residence under section 1148(2) of the revised school
25 code, MCL 380.1148, is counted in the educating district.

26 (dd) For a pupil enrolled in a dropout recovery program that
27 meets the requirements of section 23a, the pupil is counted as 1/12
28 of a full-time equated membership for each month that the district
29 operating the program reports that the pupil was enrolled in the

1 program and was in full attendance or based on the number of
2 successfully completed courses by the pupil with each course
3 equivalent to 1/12 of a full-time equated membership. A district
4 may claim more than 1/12 of a full-time equated membership within a
5 month for an enrolled pupil who was in full attendance and
6 successfully completed more than 1 required course. However, if the
7 special membership counting provisions under this subdivision and
8 the operation of the other membership counting provisions under
9 this subsection result in a pupil being counted as more than 1.0
10 FTE in a fiscal year, the payment made for the pupil under sections
11 22a and 22b must not be based on more than 1.0 FTE for that pupil,
12 and any portion of an FTE for that pupil that exceeds 1.0 is
13 instead paid under section 25g. The district operating the program
14 shall report to the center the number of pupils who were enrolled
15 in the program and were in full attendance for a month not later
16 than 30 days after the end of the month. A district shall not
17 report a pupil as being in full attendance for a month unless both
18 of the following are met:

19 (i) A personalized learning plan is in place on or before the
20 first school day of the month for the first month the pupil
21 participates in the program.

22 (ii) Either of the following is met:

23 (A) The pupil meets the district's definition under section
24 23a of satisfactory monthly progress for that month or, if the
25 pupil does not meet that definition of satisfactory monthly
26 progress for that month, the pupil did meet that definition of
27 satisfactory monthly progress in the immediately preceding month
28 and appropriate interventions, as defined by the district, are
29 implemented within 10 school days after it is determined that the

1 pupil does not meet that definition of satisfactory monthly
2 progress.

3 (B) For the first 2 months that the pupil participates in the
4 program, the pupil earns 0.25 credit by the end of the second
5 month. A pupil described in this sub-subparagraph may be
6 retroactively reported as being in full attendance for the first
7 month that the pupil participated in the program.

8 (ee) A pupil participating in a virtual course under section
9 21f is counted in membership in the district enrolling the pupil.

10 (ff) If a public school academy that is not in its first or
11 second year of operation closes at the end of a school year and
12 does not reopen for the next school year, the department shall
13 adjust the membership count of the district or other public school
14 academy in which a former pupil of the closed public school academy
15 enrolls and is in regular daily attendance for the next school year
16 to ensure that the district or other public school academy receives
17 the same amount of membership aid for the pupil as if the pupil
18 were counted in the district or other public school academy on the
19 supplemental count day of the preceding school year.

20 (gg) If a special education pupil is expelled under section
21 1311 or 1311a of the revised school code, MCL 380.1311 and
22 380.1311a, and is not in attendance on the pupil membership count
23 day because of the expulsion, and if the pupil remains enrolled in
24 the district and resumes regular daily attendance during that
25 school year, the district's membership is adjusted to count the
26 pupil in membership as if the pupil had been in attendance on the
27 pupil membership count day.

28 (hh) A pupil enrolled in a community district is counted in
29 membership in the community district.

1 (ii) A part-time pupil enrolled in a nonpublic school in
2 grades K to 12 in accordance with section 166b must not be counted
3 as more than 0.75 of a full-time equated membership.

4 (jj) A district that borders another state or a public school
5 academy that operates at least grades 9 to 12 and is located within
6 20 miles of a border with another state may count in membership a
7 pupil who is enrolled in a course at a college or university that
8 is located in the bordering state and within 20 miles of the border
9 with this state if all of the following are met:

10 (i) The pupil would meet the definition of an eligible student
11 under the postsecondary enrollment options act, 1996 PA 160, MCL
12 388.511 to 388.524, if the course were an eligible course under
13 that act.

14 (ii) The course in which the pupil is enrolled would meet the
15 definition of an eligible course under the postsecondary enrollment
16 options act, 1996 PA 160, MCL 388.511 to 388.524, if the course
17 were provided by an eligible postsecondary institution under that
18 act.

19 (iii) The department determines that the college or university
20 is an institution that, in the other state, fulfills a function
21 comparable to a state university or community college, as those
22 terms are defined in section 3 of the postsecondary enrollment
23 options act, 1996 PA 160, MCL 388.513, or is an independent
24 nonprofit degree-granting college or university.

25 (iv) The district or public school academy pays for a portion
26 of the pupil's tuition at the college or university in an amount
27 equal to the eligible charges that the district or public school
28 academy would pay to an eligible postsecondary institution under
29 the postsecondary enrollment options act, 1996 PA 160, MCL 388.511

1 to 388.524, as if the course were an eligible course under that
2 act.

3 (v) The district or public school academy awards high school
4 credit to a pupil who successfully completes a course as described
5 in this subdivision.

6 (kk) A pupil enrolled in a middle college program may be
7 counted for more than a total of 1.0 full-time equated membership
8 for any of the school years in which the pupil is enrolled in the
9 middle college program, but the total full-time equated membership
10 for that pupil for all of the school years in which the pupil is
11 enrolled in high school must not be greater than 5.00 full-time
12 equated membership if the pupil is enrolled in more than the
13 minimum number of instructional days and hours required under
14 section 101 and the pupil is expected to complete the 5-year
15 program with both a high school diploma and at least 60
16 transferable college credits or is expected to earn an associate's
17 degree in fewer than 5 years. A pupil who graduates with both a
18 high school diploma and at least 60 transferable college credits or
19 an associate degree at least 1 semester early is considered to have
20 completed the middle college program in fewer than 5 years.

21 (ll) If a district's or public school academy's membership for
22 a particular fiscal year, as otherwise calculated under this
23 subsection, includes pupils counted in membership who are enrolled
24 under section 166b, all of the following apply for the purposes of
25 this subdivision:

26 (i) If the district's or public school academy's membership for
27 pupils counted under section 166b equals or exceeds 5% of the
28 district's or public school academy's membership for pupils not
29 counted in membership under section 166b in the immediately

1 preceding fiscal year, then the growth in the district's or public
2 school academy's membership for pupils counted under section 166b
3 must not exceed 10%.

4 (ii) If the district's or public school academy's membership
5 for pupils counted under section 166b is less than 5% of the
6 district's or public school academy's membership for pupils not
7 counted in membership under section 166b in the immediately
8 preceding fiscal year, then the district's or public school
9 academy's membership for pupils counted under section 166b must not
10 exceed the greater of the following:

11 (A) Five percent of the district's or public school academy's
12 membership for pupils not counted in membership under section 166b.

13 (B) Ten percent more than the district's or public school
14 academy's membership for pupils counted under section 166b in the
15 immediately preceding fiscal year.

16 (iii) If 1 or more districts consolidate or are parties to an
17 annexation, then the calculations under subparagraphs (i) and (ii)
18 must be applied to the combined total membership for pupils counted
19 in those districts for the fiscal year immediately preceding the
20 consolidation or annexation.

21 (5) "Public school academy" means that term as defined in
22 section 5 of the revised school code, MCL 380.5.

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

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

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

3 (c) A pupil enrolled in a public school academy.

4 (d) A pupil enrolled in a district other than the pupil's
5 district of residence if the pupil is enrolled in accordance with
6 section 105, ~~or~~ 105c, or 105d.

7 (e) A pupil who has made an official written complaint or
8 whose parent or legal guardian has made an official written
9 complaint to law enforcement officials and to school officials of
10 the pupil's district of residence that the pupil has been the
11 victim of a criminal sexual assault or other serious assault, if
12 the official complaint either indicates that the assault occurred
13 at school or that the assault was committed by 1 or more other
14 pupils enrolled in the school the pupil would otherwise attend in
15 the district of residence or by an employee of the district of
16 residence. A person who intentionally makes a false report of a
17 crime to law enforcement officials for the purposes of this
18 subdivision is subject to section 411a of the Michigan penal code,
19 1931 PA 328, MCL 750.411a, which provides criminal penalties for
20 that conduct. As used in this subdivision:

21 (i) "At school" means in a classroom, elsewhere on school
22 premises, on a school bus or other school-related vehicle, or at a
23 school-sponsored activity or event whether or not it is held on
24 school premises.

25 (ii) "Serious assault" means an act that constitutes a felony
26 violation of chapter XI of the Michigan penal code, 1931 PA 328,
27 MCL 750.81 to 750.90h, or that constitutes an assault and
28 infliction of serious or aggravated injury under section 81a of the
29 Michigan penal code, 1931 PA 328, MCL 750.81a.

1 (f) A pupil whose district of residence changed after the
2 pupil membership count day and before the supplemental count day
3 and who continues to be enrolled on the supplemental count day as a
4 nonresident in the district in which the pupil was enrolled as a
5 resident on the pupil membership count day of the same school year.

6 (g) A pupil enrolled in an alternative education program
7 operated by a district other than the pupil's district of residence
8 who meets 1 or more of the following:

9 (i) The pupil has been suspended or expelled from the pupil's
10 district of residence for any reason, including, but not limited
11 to, a suspension or expulsion under section 1310, 1311, or 1311a of
12 the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

13 (ii) The pupil had previously dropped out of school.

14 (iii) The pupil is pregnant or is a parent.

15 (iv) The pupil has been referred to the program by a court.

16 (h) A pupil enrolled in the Michigan Virtual School, for the
17 pupil's enrollment in the Michigan Virtual School.

18 (i) A pupil who is the child of a person who works at the
19 district or who is the child of a person who worked at the district
20 as of the time the pupil first enrolled in the district but who no
21 longer works at the district due to a workforce reduction. As used
22 in this subdivision, "child" includes an adopted child, stepchild,
23 or legal ward.

24 (j) An expelled pupil who has been denied reinstatement by the
25 expelling district and is reinstated by another school board under
26 section 1311 or 1311a of the revised school code, MCL 380.1311 and
27 380.1311a.

28 (k) A pupil enrolled in a district other than the pupil's
29 district of residence in a middle college program if the pupil's

1 district of residence and the enrolling district are both
2 constituent districts of the same intermediate district.

3 (l) A pupil enrolled in a district other than the pupil's
4 district of residence who attends a United States Olympic Education
5 Center.

6 (m) A pupil enrolled in a district other than the pupil's
7 district of residence under section 1148(2) of the revised school
8 code, MCL 380.1148.

9 (n) A pupil who enrolls in a district other than the pupil's
10 district of residence as a result of the pupil's school not making
11 adequate yearly progress under the no child left behind act of
12 2001, Public Law 107-110, or the every student succeeds act, Public
13 Law 114-95.

14 However, if a district educates pupils who reside in another
15 district and if the primary instructional site for those pupils is
16 established by the educating district after 2009-2010 and is
17 located within the boundaries of that other district, the educating
18 district must have the approval of that other district to count
19 those pupils in membership.

20 (7) "Pupil membership count day" of a district or intermediate
21 district means:

22 (a) Except as provided in subdivision (b) or (c), either of
23 the following:

24 (i) The first Wednesday in October each school year.

25 (ii) For a district or building in which school is not in
26 session on the Wednesday described in subparagraph (i) due to
27 conditions not within the control of school authorities, with the
28 approval of the superintendent, the immediately following day on
29 which school is in session in the district or building.

1 (b) Except as otherwise provided in subdivision (c), for a
2 district or intermediate district maintaining school during the
3 entire school year, the following days:

4 (i) Fourth Wednesday in July.

5 (ii) First Wednesday in October.

6 (iii) Second Wednesday in February.

7 (iv) Fourth Wednesday in April.

8 (c) If a date listed in subdivision (a) or (b) is on a day of
9 religious or cultural significance, as determined by the district
10 or intermediate district, the immediately following day on which
11 school is in session in the district or building.

12 (8) "Pupils in grades K to 12 actually enrolled and in regular
13 daily attendance" means, except as otherwise provided in this
14 section, pupils in grades K to 12 in attendance and receiving
15 instruction in all classes for which they are enrolled on the pupil
16 membership count day or the supplemental count day, as applicable.
17 Except as otherwise provided in this section and subsection, a
18 pupil who is absent from any of the classes in which the pupil is
19 enrolled on the pupil membership count day or supplemental count
20 day and who does not attend each of those classes during the 10
21 consecutive school days immediately following the pupil membership
22 count day or supplemental count day, except for a pupil who has
23 been excused by the district, is not counted as 1.0 full-time
24 equated membership. Except as otherwise provided in this section, a
25 pupil who is excused from attendance on the pupil membership count
26 day or supplemental count day and who fails to attend each of the
27 classes in which the pupil is enrolled within 30 calendar days
28 after the pupil membership count day or supplemental count day is
29 not counted as 1.0 full-time equated membership. Except as

1 otherwise provided in this section, in addition, a pupil who was
2 enrolled and in attendance in a district, intermediate district, or
3 public school academy before the pupil membership count day or
4 supplemental count day of a particular year but was expelled or
5 suspended on the pupil membership count day or supplemental count
6 day is only counted as 1.0 full-time equated membership if the
7 pupil resumed attendance in the district, intermediate district, or
8 public school academy within 45 days after the pupil membership
9 count day or supplemental count day of that particular year. Except
10 as otherwise provided in this section, a pupil not counted as 1.0
11 full-time equated membership due to an absence from a class is
12 counted as a prorated membership for the classes the pupil
13 attended. For purposes of this subsection:

14 (a) "Appropriately placed" means holding a valid Michigan
15 educator credential with the required grade range and discipline or
16 subject area for the assignment, as defined by the superintendent
17 of public instruction.

18 (b) "Class" means either of the following, as applicable:

19 (i) A period of time in 1 day when pupils and an individual who
20 is appropriately placed under a valid certificate, substitute
21 permit, authorization, or approval issued by the department, are
22 together and instruction is taking place. This subdivision does not
23 apply for the 2024-2025 and 2025-2026 school years.

24 (ii) For the 2024-2025 and 2025-2026 school years only, a
25 period of time in 1 day when pupils and a certificated teacher, a
26 teacher engaged to teach under section 1233b of the revised school
27 code, MCL 380.1233b, or an individual working under a valid
28 substitute permit, authorization, or approval issued by the
29 department are together and instruction is taking place.

1 (9) "Rule" means a rule promulgated pursuant to the
2 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
3 24.328.

4 (10) "The revised school code" means the revised school code,
5 1976 PA 451, MCL 380.1 to 380.1852.

6 (11) "School district of the first class", "first class school
7 district", and "district of the first class" mean, for the purposes
8 of this article only, a district that had at least 40,000 pupils in
9 membership for the immediately preceding fiscal year.

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

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

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

17 (15) "Supplemental count day" means the day on which the
18 supplemental pupil count is conducted under section 6a.

19 (16) "Tuition pupil" means a pupil of school age attending
20 school in a district other than the pupil's district of residence
21 for whom tuition may be charged to the district of residence.
22 Tuition pupil does not include a pupil who is a special education
23 pupil, a pupil described in subsection (6)(d) to (n), or a pupil
24 whose parent or guardian voluntarily enrolls the pupil in a
25 district that is not the pupil's district of residence. A pupil's
26 district of residence shall not require a high school tuition pupil
27 ~~, as provided under section 111,~~ to attend another school district
28 after the pupil has been assigned to a school district.

29 (17) "State school aid fund" means the state school aid fund

1 established in section 11 of article IX of the state constitution
2 of 1963.

3 (18) "Taxable value" means, except as otherwise provided in
4 this article, the taxable value of property as determined under
5 section 27a of the general property tax act, 1893 PA 206, MCL
6 211.27a.

7 (19) "Textbook" means a book, electronic book, or other
8 instructional print or electronic resource that is selected and
9 approved by the governing board of a district and that contains a
10 presentation of principles of a subject, or that is a literary work
11 relevant to the study of a subject required for the use of
12 classroom pupils, or another type of course material that forms the
13 basis of classroom instruction.

14 (20) "Total state aid" or "total state school aid", except as
15 otherwise provided in this article, means the total combined amount
16 of all funds due to a district, intermediate district, or other
17 entity under this article.

18 Sec. 20. (1) For 2025-2026, the target foundation allowance is
19 \$10,050.00.

20 (2) The department shall calculate the amount of each
21 district's foundation allowance as provided in this section, using
22 a target foundation allowance in the amount specified in subsection
23 (1).

24 (3) Except as otherwise provided in this section, the
25 department shall calculate the amount of a district's foundation
26 allowance as follows, using in all calculations the total amount of
27 the district's foundation allowance as calculated before any
28 proration:

29 (a) For a district that had a foundation allowance for the

1 immediately preceding fiscal year that was equal to the target
2 foundation allowance for the immediately preceding fiscal year, the
3 district receives a foundation allowance in an amount equal to the
4 target foundation allowance described in subsection (1) for the
5 current fiscal year.

6 (b) For a district that had a foundation allowance for the
7 immediately preceding fiscal year that was greater than the target
8 foundation allowance for the immediately preceding fiscal year, the
9 district's foundation allowance is an amount equal to the lesser of
10 (the sum of the district's foundation allowance for the immediately
11 preceding fiscal year plus any per pupil amount calculated under
12 section 20m(2) in the immediately preceding fiscal year plus the
13 increase in the target foundation allowance for the current fiscal
14 year, as compared to the immediately preceding fiscal year) or (the
15 product of the district's foundation allowance for the immediately
16 preceding fiscal year times the percentage increase in the United
17 States Consumer Price Index in the calendar year ending in the
18 immediately preceding fiscal year as reported by the May revenue
19 estimating conference conducted under section 367b of the
20 management and budget act, 1984 PA 431, MCL 18.1367b).

21 (c) For a district that had a foundation allowance in the
22 immediately preceding fiscal year that was less than the target
23 foundation allowance in effect for that fiscal year, the district's
24 foundation allowance is an amount equal to the lesser of (the sum
25 of district's foundation allowance for the immediately preceding
26 fiscal year plus any per pupil amount calculated under section
27 20m(2) in the immediately preceding fiscal year plus the increase
28 in the target foundation allowance for the current fiscal year, as
29 compared to the immediately preceding fiscal year) or (the product

1 of the district's foundation allowance for the immediately
2 preceding fiscal year times the percentage increase in the United
3 States Consumer Price Index in the calendar year ending in the
4 immediately preceding fiscal year as reported by the May revenue
5 estimating conference conducted under section 367b of the
6 management and budget act, 1984 PA 431, MCL 18.1367b).

7 (d) For a district that has a foundation allowance that is not
8 a whole dollar amount, the department shall round the district's
9 foundation allowance up to the nearest whole dollar.

10 (4) Except as otherwise provided in this subsection, the state
11 portion of a district's foundation allowance is an amount equal to
12 the district's foundation allowance or the target foundation
13 allowance for the current fiscal year, whichever is less, minus the
14 local portion of the district's foundation allowance. Except as
15 otherwise provided in this subsection, for a district described in
16 subsection (3)(b) and (c), the state portion of the district's
17 foundation allowance is an amount equal to the target foundation
18 allowance minus the district's foundation allowance supplemental
19 payment per pupil calculated under section 20m and minus the local
20 portion of the district's foundation allowance. For a district that
21 has a millage reduction required under section 31 of article IX of
22 the state constitution of 1963, the department shall calculate the
23 state portion of the district's foundation allowance as if that
24 reduction did not occur. For a receiving district, if school
25 operating taxes continue to be levied on behalf of a dissolved
26 district that has been attached in whole or in part to the
27 receiving district to satisfy debt obligations of the dissolved
28 district under section 12 of the revised school code, MCL 380.12,
29 the taxable value per membership pupil of property in the receiving

1 district used for the purposes of this subsection does not include
2 the taxable value of property within the geographic area of the
3 dissolved district. For a community district, if school operating
4 taxes continue to be levied by a qualifying school district under
5 section 12b of the revised school code, MCL 380.12b, with the same
6 geographic area as the community district, the taxable value per
7 membership pupil of property in the community district to be used
8 for the purposes of this subsection does not include the taxable
9 value of property within the geographic area of the community
10 district.

11 (5) The allocation calculated under this section for a pupil
12 is based on the foundation allowance of the pupil's district of
13 residence. For a pupil enrolled under section 105, ~~or~~ 105c, **or 105d**
14 in a district other than the pupil's district of residence, the
15 allocation calculated under this section is based on the lesser of
16 the foundation allowance of the pupil's district of residence or
17 the foundation allowance of the educating district. For a pupil in
18 membership in a K-5, K-6, or K-8 district who is enrolled in
19 another district in a grade not offered by the pupil's district of
20 residence, the allocation calculated under this section is based on
21 the foundation allowance of the educating district if the educating
22 district's foundation allowance is greater than the foundation
23 allowance of the pupil's district of residence. The calculation
24 under this subsection must take into account a district's per-pupil
25 allocation under section 20m.

26 (6) Except as otherwise provided in this subsection, for
27 pupils in membership, other than special education pupils, in a
28 public school academy, the allocation calculated under this section
29 is an amount per membership pupil other than special education

1 pupils in the public school academy equal to the target foundation
2 allowance specified in subsection (1), or, for a public school
3 academy that was issued a contract under section 552 of the revised
4 school code, MCL 380.552, to operate as a school of excellence that
5 is a cyber school, \$10,050.00. Notwithstanding section 101, for a
6 public school academy that begins operations after the pupil
7 membership count day, the amount per membership pupil calculated
8 under this subsection must be adjusted by multiplying that amount
9 per membership pupil by the number of hours of pupil instruction
10 provided by the public school academy after it begins operations,
11 as determined by the department, divided by the minimum number of
12 hours of pupil instruction required under section 101(3). The
13 result of this calculation must not exceed the amount per
14 membership pupil otherwise calculated under this subsection.

15 (7) For pupils in membership, other than special education
16 pupils, in a community district, the allocation calculated under
17 this section is an amount per membership pupil other than special
18 education pupils in the community district equal to the foundation
19 allowance of the qualifying school district, as described in
20 section 12b of the revised school code, MCL 380.12b, that is
21 located within the same geographic area as the community district.

22 (8) Subject to subsection (4), for a district that is formed
23 or reconfigured after June 1, 2002 by consolidation of 2 or more
24 districts or by annexation, the resulting district's foundation
25 allowance under this section beginning after the effective date of
26 the consolidation or annexation is the lesser of the sum of the
27 average of the foundation allowances of each of the original or
28 affected districts, calculated as provided in this section,
29 weighted as to the percentage of pupils in total membership in the

1 resulting district who reside in the geographic area of each of the
2 original or affected districts plus \$100.00 or the highest
3 foundation allowance among the original or affected districts. This
4 subsection does not apply to a receiving district unless there is a
5 subsequent consolidation or annexation that affects the district.
6 The calculation under this subsection must take into account a
7 district's per-pupil allocation under section 20m.

8 (9) The department shall round each fraction used in making
9 calculations under this section to the fourth decimal place and
10 shall round the dollar amount of an increase in the target
11 foundation allowance to the nearest whole dollar.

12 (10) State payments related to payment of the foundation
13 allowance for a special education pupil are not calculated under
14 this section but are instead calculated under section 51e.

15 (11) To assist the legislature in determining the target
16 foundation allowance for the subsequent fiscal year, each revenue
17 estimating conference conducted under section 367b of the
18 management and budget act, 1984 PA 431, MCL 18.1367b, must
19 calculate a pupil membership factor, a revenue adjustment factor,
20 and an index as follows:

21 (a) The pupil membership factor is computed by dividing the
22 estimated membership in the school year ending in the current
23 fiscal year, excluding intermediate district membership, by the
24 estimated membership for the school year ending in the subsequent
25 fiscal year, excluding intermediate district membership. If a
26 consensus membership factor is not determined at the revenue
27 estimating conference, the principals of the revenue estimating
28 conference shall report their estimates to the house and senate
29 subcommittees responsible for school aid appropriations not later

1 than 7 days after the conclusion of the revenue conference.

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

20 (c) The index is calculated by multiplying the pupil
21 membership factor by the revenue adjustment factor. If a consensus
22 index is not determined at the revenue estimating conference, the
23 principals of the revenue estimating conference shall report their
24 estimates to the house and senate subcommittees responsible for
25 state school aid appropriations not later than 7 days after the
26 conclusion of the revenue conference.

27 (12) Payments to districts and public school academies are not
28 made under this section. Rather, the calculations under this
29 section are used to determine the amount of state payments under

1 section 22b.

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

7 (14) As used in this section:

8 (a) "Certified mills" means the lesser of 18 mills or the
9 number of mills of school operating taxes levied by the district in
10 1993-94.

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

13 (c) "Dissolved district" means a district that loses its
14 organization, has its territory attached to 1 or more other
15 districts, and is dissolved as provided under section 12 of the
16 revised school code, MCL 380.12.

17 (d) "Immediately preceding fiscal year" means the fiscal year
18 immediately preceding the current fiscal year.

19 (e) "Local portion of the district's foundation allowance"
20 means an amount that is equal to the difference between (the sum of
21 the product of the taxable value per membership pupil of all
22 property in the district that is nonexempt property times the
23 district's certified mills and, for a district with certified mills
24 exceeding 12, the product of the taxable value per membership pupil
25 of property in the district that is commercial personal property
26 times the certified mills minus 12 mills) and (the quotient of the
27 product of the captured assessed valuation under tax increment
28 financing acts times the district's certified mills divided by the
29 district's membership excluding special education pupils).

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

4 (g) "Nonexempt property" means property that is not a
5 principal residence, qualified agricultural property, qualified
6 forest property, supportive housing property, industrial personal
7 property, commercial personal property, or property occupied by a
8 public school academy.

9 (h) "Principal residence", "qualified agricultural property",
10 "qualified forest property", "supportive housing property",
11 "industrial personal property", and "commercial personal property"
12 mean those terms as defined in section 1211 of the revised school
13 code, MCL 380.1211.

14 (i) "Receiving district" means a district to which all or part
15 of the territory of a dissolved district is attached under section
16 12 of the revised school code, MCL 380.12.

17 (j) "School operating purposes" means the purposes included in
18 the operation costs of the district as prescribed in sections 7 and
19 18 and purposes authorized under section 1211 of the revised school
20 code, MCL 380.1211.

21 (k) "School operating taxes" means local ad valorem property
22 taxes levied under section 1211 of the revised school code, MCL
23 380.1211, and retained for school operating purposes.

24 (l) "Tax increment financing acts" means parts 2, 3, 4, and 6
25 of the recodified tax increment financing act, 2018 PA 57, MCL
26 125.4201 to 125.4420 and 125.4602 to 125.4629, or the brownfield
27 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.

28 (m) "Taxable value per membership pupil" means taxable value,
29 as certified by the county treasurer and reported to the

1 department, for the calendar year ending in the current state
2 fiscal year divided by the district's membership excluding special
3 education pupils for the school year ending in the current state
4 fiscal year.

5 Sec. 105. (1) ~~In order to~~ **Subject to subsection (21)**, to avoid
6 a penalty under this section, and ~~in order to~~ count a nonresident
7 pupil residing within the same intermediate district in membership
8 without the approval of the pupil's district of residence, a
9 district must comply with this section.

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

18 (a) The district shall publish the grades, schools, and
19 special programs, if any, for which enrollment may be available to,
20 and for which applications will be accepted from, nonresident
21 applicants residing within the same intermediate district.

22 (b) If the district has a limited number of positions
23 available for nonresidents residing within the same intermediate
24 district in a grade, school, or program, all of the following apply
25 to accepting applications for and enrollment of nonresidents in
26 that grade, school, or program:

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

29 (A) Provide notice to the general public that applications

1 will be taken for a period of at least 15 calendar days but not
2 more than 30 calendar days from nonresidents residing within the
3 same intermediate district for enrollment in that grade, school, or
4 program. The notice must identify the dates of the application
5 period and the place and manner for submitting applications.

6 (B) During the application period under sub-subparagraph (A),
7 accept applications from nonresidents residing within the same
8 intermediate district for enrollment in that grade, school, or
9 program.

10 (C) Within 15 calendar days after the end of the application
11 period under sub-subparagraph (A), using the procedures and
12 preferences required under this section, determine which
13 nonresident applicants will be allowed to enroll in that grade,
14 school, or program, using the random draw system required under
15 subsection (13) as necessary, and notify the parent or legal
16 guardian of each nonresident applicant of whether or not the
17 applicant may enroll in the district. The notification to parents
18 or legal guardians of nonresident applicants accepted for
19 enrollment must contain notification of the date by which the
20 applicant must enroll in the district and procedures for
21 enrollment. The date for enrollment must be no later than the end
22 of the first week of school.

23 (ii) Beginning on the third Monday in August and not later than
24 the end of the first week of school, if any positions become
25 available in a grade, school, or program due to accepted applicants
26 failing to enroll or to more positions being added, the district
27 may enroll nonresident applicants from the waiting list maintained
28 under subsection (13), offering enrollment in the order that
29 applicants appear on the waiting list. If there are still positions

1 available after enrolling all applicants from the waiting list who
2 desire to enroll, the district may not fill those positions until
3 the second semester or trimester enrollment under subsection (3),
4 as provided under that subsection, or until the next school year.

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

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

18 (ii) Not later than the end of the first week of school, the
19 district shall notify the parent or legal guardian of each
20 nonresident applicant who is accepted for enrollment that the
21 applicant has been accepted for enrollment in the grade, school, or
22 program and of the procedures for enrollment. The date for
23 enrollment must be no later than the end of the first week of
24 school.

25 (3) If a district determines during the first semester or
26 trimester of a school year that it has positions available for
27 enrollment of a number of nonresidents residing within the same
28 intermediate district, beyond those entitled to preference under
29 this section, for the second semester or trimester of the school

1 year, the district may accept applications from and enroll
2 nonresidents residing within the same intermediate district for the
3 second semester or trimester using the following procedures:

4 (a) Not later than 2 weeks before the end of the first
5 semester or trimester, the district shall publish the grades,
6 schools, and special programs, if any, for which enrollment for the
7 second semester or trimester may be available to, and for which
8 applications will be accepted from, nonresident applicants residing
9 within the same intermediate district.

10 (b) During the last 2 weeks of the first semester or
11 trimester, the district shall accept applications from nonresidents
12 residing within the same intermediate district for enrollment for
13 the second semester or trimester in the available grades, schools,
14 and programs.

15 (c) By the beginning of the second semester or trimester,
16 using the procedures and preferences required under this section,
17 the district shall determine which nonresident applicants will be
18 allowed to enroll in the district for the second semester or
19 trimester and notify the parent or legal guardian of each
20 nonresident applicant residing within the same intermediate
21 district of whether ~~or not~~ the applicant may enroll in the
22 district. The notification to parents or legal guardians of
23 nonresident applicants accepted for enrollment must contain
24 notification of the date by which the applicant must enroll in the
25 district and procedures for enrollment. The date for enrollment
26 must be no later than the end of the first week of school.

27 (4) If deadlines similar to those described in subsection (2)
28 or (3) have been established in an intermediate district, and if
29 those deadlines are not later than the deadlines under subsection

1 (2) or (3), the districts within the intermediate district may use
2 those deadlines.

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

8 (6) A nonresident applicant residing within the same
9 intermediate district must not be granted or refused enrollment
10 based on intellectual, academic, artistic, or other ability,
11 talent, or accomplishment, or lack thereof, or based on a mental or
12 physical disability, except that a district may refuse to admit a
13 nonresident applicant if the applicant does not meet the same
14 criteria, other than residence, that an applicant who is a resident
15 of the district must meet to be accepted for enrollment in a grade
16 or a specialized, magnet, or intra-district choice school or
17 program to which the applicant applies.

18 (7) A nonresident applicant residing within the same
19 intermediate district must not be granted or refused enrollment
20 based on age, except that a district may refuse to admit a
21 nonresident applicant applying for a program that is not
22 appropriate for the age of the applicant.

23 (8) A nonresident applicant residing within the same
24 intermediate district must not be granted or refused enrollment
25 based ~~upon~~ **on** religion, race, color, national origin, sex, height,
26 weight, marital status, **truancy**, or athletic ability, or,
27 generally, in violation of any state or federal law prohibiting
28 discrimination.

29 (9) Subject to subsection (10), a district may refuse to

1 enroll a nonresident applicant if any of the following are met:

2 (a) The applicant is, or has been within the preceding 2
3 years, suspended from another school.

4 (b) The applicant, at any time before enrolling under this
5 section, has been expelled from another school.

6 (c) The applicant, at any time before enrolling under this
7 section, has been convicted of a felony.

8 (10) If a district has counted a pupil in membership on either
9 the pupil membership count day or the supplemental count day, the
10 district shall not refuse to enroll or refuse to continue to enroll
11 that pupil for a reason specified in subsection (9). This
12 subsection does not prohibit a district from expelling a pupil
13 described in this subsection for disciplinary reasons.

14 (11) A district shall continue to allow a pupil who was
15 enrolled in and attended the district under this section in the
16 school year or semester or trimester immediately preceding the
17 school year or semester or trimester in question to enroll in the
18 district until the pupil graduates from high school. This
19 subsection does not prohibit a district from expelling a pupil
20 described in this subsection for disciplinary reasons.

21 (12) A district shall give preference for enrollment under
22 this section over all other nonresident applicants residing within
23 the same intermediate district to other school-age children who
24 reside in the same household as a pupil described in subsection
25 (11).

26 (13) If the number of qualified nonresident applicants
27 eligible for acceptance in a school, grade, or program does not
28 exceed the positions available for nonresident pupils in the
29 school, grade, or program, the school district shall accept for

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

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

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

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

29 (17) A district may participate in a cooperative education

1 program with 1 or more other districts or intermediate districts
 2 whether or not the district enrolls any nonresidents under this
 3 section.

4 (18) A district that, under this section, enrolls a
 5 nonresident pupil who is eligible for special education programs
 6 and services according to statute or rule, or who is a child with a
 7 disability, as that term is defined under the individuals with
 8 disabilities education act, Public Law 108-446, is considered to be
 9 the resident district of the pupil for the purpose of providing the
 10 pupil with a free appropriate public education. Consistent with
 11 state and federal law, that district is responsible for developing
 12 and implementing an individualized education program annually for a
 13 nonresident pupil described in this subsection.

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

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

20 **(21) This section does not apply on or after July 1, 2026.**

21 Sec. 105c. (1) ~~In order to~~ **Subject to subsection (22), to**
 22 avoid a penalty under this section, and ~~in order to~~ count a
 23 nonresident pupil residing in a district located in a contiguous
 24 intermediate district in membership without the approval of the
 25 pupil's district of residence, a district must comply with this
 26 section.

27 (2) Except as otherwise provided in this section, a district
 28 shall determine whether ~~or not~~ it will accept applications for
 29 enrollment by nonresident applicants residing in a district located

1 in a contiguous intermediate district for the next school year. If
2 the district determines to accept applications for enrollment of a
3 number of nonresidents under this section, beyond those entitled to
4 preference under this section, the district shall use the following
5 procedures for accepting applications from and enrolling
6 nonresidents under this section:

7 (a) The district shall publish the grades, schools, and
8 special programs, if any, for which enrollment may be available to,
9 and for which applications will be accepted from, nonresident
10 applicants residing in a district located in a contiguous
11 intermediate district.

12 (b) If the district has a limited number of positions
13 available for nonresidents residing in a district located in a
14 contiguous intermediate district in a grade, school, or program,
15 all of the following apply to accepting applications for and
16 enrollment of nonresidents under this section in that grade,
17 school, or program:

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

20 (A) Provide notice to the general public that applications
21 will be taken for a period of at least 15 calendar days but not
22 more than 30 calendar days from nonresidents residing in a district
23 located in a contiguous intermediate district for enrollment in
24 that grade, school, or program. The notice must identify the dates
25 of the application period and the place and manner for submitting
26 applications.

27 (B) During the application period under sub-subparagraph (A),
28 accept applications from nonresidents residing in a district
29 located in a contiguous intermediate district for enrollment in

1 that grade, school, or program.

2 (C) Within 15 calendar days after the end of the application
3 period under sub-subparagraph (A), using the procedures and
4 preferences required under this section, determine which
5 nonresident applicants will be allowed to enroll under this section
6 in that grade, school, or program, using the random draw system
7 required under subsection (13) as necessary, and notify the parent
8 or legal guardian of each nonresident applicant of whether ~~or not~~
9 the applicant may enroll in the district. The notification to
10 parents or legal guardians of nonresident applicants accepted for
11 enrollment under this section must contain notification of the date
12 by which the applicant must enroll in the district and procedures
13 for enrollment. The date for enrollment must be no later than the
14 end of the first week of school.

15 (ii) Beginning on the third Monday in August and not later than
16 the end of the first week of school, if any positions become
17 available in a grade, school, or program due to accepted applicants
18 failing to enroll or to more positions being added, the district
19 may enroll nonresident applicants from the waiting list maintained
20 under subsection (13), offering enrollment in the order that
21 applicants appear on the waiting list. If there are still positions
22 available after enrolling all applicants from the waiting list who
23 desire to enroll, the district may not fill those positions until
24 the second semester or trimester enrollment under subsection (3),
25 as provided under that subsection, or until the next school year.

26 (c) For a grade, school, or program that has an unlimited
27 number of positions available for nonresidents residing in a
28 district located in a contiguous intermediate district, all of the
29 following apply to enrollment of nonresidents in that grade,

1 school, or program under this section:

2 (i) The district may accept applications for enrollment in that
3 grade, school, or program, and may enroll nonresidents residing in
4 a district located in a contiguous intermediate district in that
5 grade, school, or program until the end of the first week of
6 school. The district shall provide notice to the general public of
7 the place and manner for submitting applications and, if the
8 district has a limited application period, the notice must include
9 the dates of the application period. The application period must be
10 at least a 15-calendar-day period.

11 (ii) Not later than the end of the first week of school, the
12 district shall notify the parent or legal guardian of each
13 nonresident applicant who is accepted for enrollment under this
14 section that the applicant has been accepted for enrollment in the
15 grade, school, or program and of the date by which the applicant
16 must enroll in the district and the procedures for enrollment. The
17 date for enrollment must be no later than the end of the first week
18 of school.

19 (3) If a district determines during the first semester or
20 trimester of a school year that it has positions available for
21 enrollment of a number of nonresidents residing in a district
22 located in a contiguous intermediate district, beyond those
23 entitled to preference under this section, for the second semester
24 or trimester of the school year, the district may accept
25 applications from and enroll nonresidents residing in a district
26 located in a contiguous intermediate district for the second
27 semester or trimester using the following procedures:

28 (a) Not later than 2 weeks before the end of the first
29 semester or trimester, the district shall publish the grades,

1 schools, and special programs, if any, for which enrollment for the
2 second semester or trimester may be available to, and for which
3 applications will be accepted from, nonresident applicants residing
4 in a district located in a contiguous intermediate district.

5 (b) During the last 2 weeks of the first semester or
6 trimester, the district shall accept applications from nonresidents
7 residing in a district located in a contiguous intermediate
8 district for enrollment for the second semester or trimester in the
9 available grades, schools, and programs.

10 (c) By the beginning of the second semester or trimester,
11 using the procedures and preferences required under this section,
12 the district shall determine which nonresident applicants will be
13 allowed to enroll under this section in the district for the second
14 semester or trimester and notify the parent or legal guardian of
15 each nonresident applicant residing in a district located in a
16 contiguous intermediate district of whether ~~or not~~ the applicant
17 may enroll in the district. The notification to parents or legal
18 guardians of nonresident applicants accepted for enrollment must
19 contain notification of the date by which the applicant must enroll
20 in the district and procedures for enrollment. The date for
21 enrollment must be no later than the end of the first week of
22 school.

23 (4) If deadlines similar to those described in subsection (2)
24 or (3) have been established in an intermediate district, and if
25 those deadlines are not later than the deadlines under subsection
26 (2) or (3), the districts within the intermediate district may use
27 those deadlines.

28 (5) A district offering to enroll nonresident applicants
29 residing in a district located in a contiguous intermediate

1 district may limit the number of those nonresident pupils it
2 accepts in a grade, school, or program, at its discretion, and may
3 use that limit as the reason for refusal to enroll an applicant
4 under this section.

5 (6) A nonresident applicant residing in a district located in
6 a contiguous intermediate district must not be granted or refused
7 enrollment based on intellectual, academic, artistic, or other
8 ability, talent, or accomplishment, or lack thereof, or based on a
9 mental or physical disability, except that a district may refuse to
10 admit a nonresident applicant under this section if the applicant
11 does not meet the same criteria, other than residence, that an
12 applicant who is a resident of the district must meet to be
13 accepted for enrollment in a grade or a specialized, magnet, or
14 intra-district choice school or program to which the applicant
15 applies.

16 (7) A nonresident applicant residing in a district located in
17 a contiguous intermediate district must not be granted or refused
18 enrollment under this section based on age, except that a district
19 may refuse to admit a nonresident applicant applying for a program
20 that is not appropriate for the age of the applicant.

21 (8) A nonresident applicant residing in a district located in
22 a contiguous intermediate district must not be granted or refused
23 enrollment under this section based upon religion, race, color,
24 national origin, sex, height, weight, marital status, **truancy**, or
25 athletic ability, or, generally, in violation of any state or
26 federal law prohibiting discrimination.

27 (9) Subject to subsection (10), a district may refuse to
28 enroll a nonresident applicant under this section if any of the
29 following are met:

1 (a) The applicant is, or has been within the preceding 2
2 years, suspended from another school.

3 (b) The applicant, at any time before enrolling under this
4 section, has been expelled from another school.

5 (c) The applicant, at any time before enrolling under this
6 section, has been convicted of a felony.

7 (10) If a district has counted a pupil in membership on either
8 the pupil membership count day or the supplemental count day, the
9 district shall not refuse to enroll or refuse to continue to enroll
10 that pupil for a reason specified in subsection (9). This
11 subsection does not prohibit a district from expelling a pupil
12 described in this subsection for disciplinary reasons.

13 (11) A district shall continue to allow a pupil who was
14 enrolled in and attended the district under this section in the
15 school year or semester or trimester immediately preceding the
16 school year or semester or trimester in question to enroll in the
17 district until the pupil graduates from high school. This
18 subsection does not prohibit a district from expelling a pupil
19 described in this subsection for disciplinary reasons.

20 (12) A district shall give preference for enrollment under
21 this section over all other nonresident applicants residing in a
22 district located in a contiguous intermediate district to other
23 school-age children who reside in the same household as a pupil
24 described in subsection (11).

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

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

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

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

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

29 (17) A district may participate in a cooperative education

1 program with 1 or more other districts or intermediate districts
2 whether or not the district enrolls any nonresidents pursuant to
3 this section.

4 (18) ~~In order for~~ **For** a district or intermediate district to
5 enroll under this section a nonresident pupil who resides in a
6 district located in a contiguous intermediate district and who is
7 eligible for special education programs and services according to
8 statute or rule, or who is a child with disabilities, as defined
9 under the individuals with disabilities education act, Public Law
10 108-446, the enrolling district shall have a written agreement with
11 the resident district of the pupil for the purpose of providing the
12 pupil with a free appropriate public education. The written
13 agreement must include, but is not limited to, an agreement on the
14 responsibility for the payment of the added costs of special
15 education programs and services for the pupil. The written
16 agreement must address how the agreement must be amended in the
17 event of significant changes in the costs or level of special
18 education programs or services required by the pupil.

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

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

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

29 **(22) This section does not apply on or after July 1, 2026.**

1 (23) ~~(22)~~As used in this section, "district located in a
2 contiguous intermediate district" means a district located in an
3 intermediate district that is contiguous to the intermediate
4 district in which a pupil's district of residence is located.

5 Sec. 105d. (1) Except as otherwise provided in this section,
6 beginning on July 1, 2026, a nonresident applicant may apply to
7 attend any school in this state and a district shall accept
8 applications for enrollment by nonresident applicants.

9 (2) Beginning July 1, 2026, a nonresident applicant must not
10 be refused enrollment based on intellectual, academic, artistic, or
11 other ability, talent, or accomplishment, or lack thereof, or based
12 on a mental or physical disability, except that a district may
13 refuse to admit a nonresident applicant if the applicant does not
14 meet the same criteria, other than residence, that an applicant who
15 is a resident of the district must meet to be accepted for
16 enrollment in a grade or a specialized, magnet program to which the
17 applicant applies.

18 (3) Beginning July 1, 2026, a nonresident applicant must not
19 be refused enrollment based on age, except that a district may
20 refuse to admit a nonresident applicant applying for a program that
21 is not appropriate for the age of the applicant.

22 (4) Beginning July 1, 2026, a nonresident applicant must not
23 be refused enrollment based on residential address, district of
24 residence, religion, race, color, national origin, sex, height,
25 weight, marital status, truancy, or athletic ability, or,
26 generally, in violation of any state or federal law prohibiting
27 discrimination.

28 (5) Subject to subsection (6), a district may refuse to enroll
29 a nonresident applicant if any of the following are met:

1 (a) The applicant is, or has been within the preceding 2
2 years, suspended from another school.

3 (b) The applicant, at any time before enrolling under this
4 section, has been expelled from another school.

5 (c) The applicant, at any time before enrolling under this
6 section, has been convicted of a felony.

7 (6) If a district has counted a pupil in membership on either
8 the pupil membership count day or the supplemental count day, the
9 district shall not refuse to enroll or refuse to continue to enroll
10 that pupil for a reason specified in subsection (5). This
11 subsection does not prohibit a district from expelling a pupil
12 described in this subsection for disciplinary reasons.

13 (7) A district shall continue to allow a pupil who was
14 enrolled in and attended the district under this section, section
15 105, or section 105c in the school year or semester or trimester
16 immediately preceding the school year or semester or trimester in
17 question to enroll in the district until the pupil graduates from
18 high school. This subsection does not prohibit a district from
19 expelling a pupil described in this subsection for disciplinary
20 reasons.

21 (8) Beginning July 1, 2026, a district shall give preference
22 for enrollment under this section over all other nonresident
23 applicants to other school-age children who reside in the same
24 household as a pupil described in subsection (7).

25 (9) Beginning July 1, 2026, if the number of nonresident
26 applicants exceeds the seats available in a grade or school, as
27 determined under subsection (16), the district shall develop and
28 maintain a waiting list based on the order in which nonresident
29 applicants applied.

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

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

13 (12) A district may participate in a cooperative education
14 program with 1 or more other districts or intermediate districts.

15 (13) A district that, under this section, enrolls a
16 nonresident pupil who is eligible for special education programs
17 and services according to statute or rule, or who is a child with a
18 disability, as that term is defined under the individuals with
19 disabilities education act, Public Law 108-446, is considered to be
20 the resident district of the student for the purpose of providing
21 the pupil with a free appropriate public education. Consistent with
22 state and federal law, that district is responsible for developing
23 and implementing an individualized education program annually for a
24 nonresident student described in this subsection.

25 (14) Districts shall not charge tuition to nonresident pupils
26 under this section.

27 (15) Beginning July 1, 2026, districts shall not place limits
28 on the number or percentage of nonresident pupils enrolled in the
29 district other than limits based on seats available as determined

1 under subsection (16).

2 (16) By not later than May 1, 2026, and May 1 of each year
3 thereafter, each district shall determine all of the following for
4 each school in the district for the following school year:

5 (a) The number of seats available in each grade of each school
6 in the district based on each school's maximum capacity. The number
7 of seats available must not be determined based on specialized
8 programs.

9 (b) The number of pupils expected to attend school in the
10 district.

11 (c) The number of seats available to nonresident pupils.

12 (17) By not later than May 1, 2026, and by May 1 of each year
13 thereafter, each district shall publish all of the following on its
14 public website:

15 (a) The number of seats available, by grade level, to
16 nonresident pupils as determined under subsection (16).

17 (b) The methodology and data the district used to determine
18 the number of seats available to nonresident pupils under
19 subsection (16).

20 (c) The district's transfer policies and procedures.

21 (18) Beginning July 1, 2026, each district shall do all of the
22 following:

23 (a) Accept applications from nonresident students throughout
24 the school year and, within 30 days of receiving an application,
25 notify parents and legal guardians in writing if the application
26 has been accepted or, if the application is denied, the reason for
27 the denial.

28 (b) Approve and enroll nonresident student applicants at any
29 time during the year if there are seats available in the requested

1 grade level.

2 (c) By not later than June 30 of each year, report all of the
3 following for the immediately preceding school year to the state
4 board:

5 (i) The number of seats available at each grade level and
6 school.

7 (ii) The number of transfer applications.

8 (iii) The number of accepted transferred students.

9 (iv) The number of denied applications and the reason for each
10 denial.

11 (19) If a district denies or does not take action on a
12 nonresident student application within the time frame described in
13 subsection (18)(a), the parent or legal guardian of that student
14 may appeal the denial or lack of action to the state board.

15 (20) By not later than September 1, 2026, and by September 1
16 of each year thereafter, the state board shall collect, analyze,
17 and publish, to its public website, all of the following
18 information for each district from the preceding school year:

19 (a) The number of seats available.

20 (b) Transfer data.

21 (c) The number of nonresident students.

22 (d) The number of applications received.

23 (e) The number of applications denied and the reason for each
24 denial.

25 (f) The methodology and data used in determining seats
26 available.

27 (21) By not later than September 1, 2026, and by September 1
28 of each year thereafter, the state board shall publish an open
29 enrollment website link and other relevant information regarding

1 open enrollment to its public website.

2 (22) By not later than February 1, 2027, and by February 1 of
3 each year thereafter, the state board shall prepare and provide a
4 report to the legislature that contains all of the information
5 described in subsections (20) and (21).

6 (23) As used in this section:

7 (a) "Nonresident applicant" means a student who applies to
8 enroll in a school that the student is not zoned to attend.

9 (b) "Nonresident student" means a student who is enrolled in a
10 school that the student is not zoned to attend.

11 Sec. 111. ~~A district having tuition pupils enrolled on the~~
12 ~~pupil membership count day of each year may charge the district of~~
13 ~~residence an amount for tuition that does not exceed the tuition~~
14 ~~rate computed under section 1401 of the revised school code, MCL~~
15 ~~380.1401. The rate charged by a district shall be uniform within~~
16 ~~each category of tuition pupils enrolled in the district. However,~~
17 ~~for~~ **For** a tuition pupil who resides in a ~~K-5, K-6, or K-8~~ **K to 5, K**
18 **to 6, or K to 8** district and who is enrolled in a grade not offered
19 by the pupil's district of residence, the tuition rate charged to
20 the pupil's district of residence shall not exceed the foundation
21 allowance of the pupil's district of residence or the foundation
22 allowance of the educating district, whichever is greater. A
23 district receiving funds under this act shall not charge tuition to
24 the parent or legal guardian of a pupil enrolled in the district as
25 a nonresident pupil.

26 Enacting section 1. This amendatory act does not take effect
27 unless all of the following bills of the 103rd Legislature are
28 enacted into law:

29 (a) House Bill No. 5312 (request no. H03337'25 a).

1 (b) House Bill No. 5311 (request no. H03359'25).