

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4815

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 7, 11, 11g, 17a, 20, and 22a (MCL 388.1607,
388.1611, 388.1611g, 388.1617a, 388.1620, and 388.1622a), section 7
as amended by 1996 PA 300, sections 11, 11g, 20, and 22a as amended
by 2013 PA 60, and section 17a as amended by 2012 PA 2, and by
adding section 20g.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7. Costs for school operating purposes include all
2 expenditures necessary to carry out the powers **AND THE FINANCIAL**
3 **OBLIGATIONS** of the district or intermediate district under the
4 revised school code.

5 Sec. 11. (1) For the fiscal year ending September 30, 2013,
6 there is appropriated for the public schools of this state and

1 certain other state purposes relating to education the sum of
2 \$10,928,614,200.00 from the state school aid fund and the sum of
3 \$282,400,000.00 from the general fund. For the fiscal year ending
4 September 30, 2014, there is appropriated for the public schools of
5 this state and certain other state purposes relating to education
6 the sum of \$11,211,382,300.00 from the state school aid fund, the
7 sum of \$156,000,000.00 from the MPSERS retirement obligation reform
8 reserve fund created under section 147b, and the sum of
9 ~~\$230,000,000.00~~ **\$234,900,000.00** from the general fund. In addition,
10 all other available federal funds, except those otherwise
11 appropriated under section 11p, are appropriated for the fiscal
12 year ending September 30, 2013 and for the fiscal year ending
13 September 30, 2014.

14 (2) The appropriations under this section shall be allocated
15 as provided in this article. Money appropriated under this section
16 from the general fund shall be expended to fund the purposes of
17 this article before the expenditure of money appropriated under
18 this section from the state school aid fund.

19 (3) Any general fund allocations under this article that are
20 not expended by the end of the state fiscal year are transferred to
21 the school aid stabilization fund created under section 11a.

22 Sec. 11g. (1) From the appropriation in section 11, there is
23 allocated for this section an amount not to exceed \$39,500,000.00
24 for the fiscal year ending September 30, 2014 and for the fiscal
25 year ending September 30, 2015, after which these payments will
26 cease. These allocations are for paying the amounts described in
27 subsection (3) to districts and intermediate districts, other than

1 those receiving a lump-sum payment under section 11f(2), that were
2 not plaintiffs in the consolidated cases known as Durant v State of
3 Michigan, Michigan supreme court docket no. 104458-104492 and that,
4 on or before March 2, 1998, submitted to the state treasurer a
5 waiver resolution described in section 11f. The amounts paid under
6 this section represent offers of settlement and compromise of any
7 claim or claims that were or could have been asserted by these
8 districts and intermediate districts, as described in this section.

9 (2) This section does not create any obligation or liability
10 of this state to any district or intermediate district that does
11 not submit a waiver resolution described in section 11f. This
12 section and any other provision of this article are not intended to
13 admit liability or waive any defense that is or would be available
14 to this state or its agencies, employees, or agents in any
15 litigation or future litigation with a district or intermediate
16 district regarding these claims or potential claims.

17 (3) The amount paid each fiscal year to each district or
18 intermediate district under this section shall be 1 of the
19 following:

20 (a) If the district or intermediate district does not borrow
21 money and issue bonds under section 11i, 1/30 of the total amount
22 listed in section 11h for the district or intermediate district
23 through the fiscal year ending September 30, 2015.

24 (b) If the district or intermediate district borrows money and
25 issues bonds under section 11i, an amount in each fiscal year
26 calculated by the department of treasury that is equal to the debt
27 service amount in that fiscal year on the bonds issued by that

1 district or intermediate district under section 11i and that will
2 result in the total payments made to all districts and intermediate
3 districts in each fiscal year under this section being no more than
4 the amount appropriated under this section in each fiscal year.

5 (4) The entire amount of each payment under this section each
6 fiscal year shall be paid on May 15 of the applicable fiscal year
7 or on the next business day following that date. If a district or
8 intermediate district borrows money and issues bonds under section
9 11i, the district or intermediate district shall use funds received
10 under this section to pay debt service on bonds issued under
11 section 11i. If a district or intermediate district does not borrow
12 money and issue bonds under section 11i, the district or
13 intermediate district shall use funds received under this section
14 only for the following purposes, in the following order of
15 priority:

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

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

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

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

1 (6) A district or intermediate district may pledge or assign
2 payments under this section as security for bonds issued under
3 section 11i, but shall not otherwise pledge or assign payments
4 under this section.

5 (7) IF A DISTRICT ELIGIBLE FOR PAYMENTS UNDER THIS SECTION IS
6 DISSOLVED UNDER SECTION 12 OF THE REVISED SCHOOL CODE, MCL 380.12,
7 THE PAYMENT OTHERWISE DUE TO THE DISSOLVED DISTRICT UNDER THIS
8 SECTION SHALL BE PAID INSTEAD TO THE INTERMEDIATE DISTRICT OF THE
9 DISSOLVED DISTRICT. THE INTERMEDIATE DISTRICT OF THE DISSOLVED
10 DISTRICT SHALL PERFORM ANY FUNCTIONS AND RESPONSIBILITIES OF THE
11 BOARD AND OTHER OFFICERS OF THE DISSOLVED DISTRICT NECESSARY UNDER
12 THIS SECTION ON BEHALF OF THE DISSOLVED DISTRICT. AS USED IN THIS
13 SUBSECTION, "DISSOLVED DISTRICT" AND "RECEIVING DISTRICT" MEAN
14 THOSE TERMS AS DEFINED IN SECTION 20.

15 Sec. 17a. (1) The department may withhold all or part of any
16 payment that a district or intermediate district is entitled to
17 receive under this act to the extent the withholdings are a
18 component part of a plan, developed and implemented pursuant to the
19 revised municipal finance act, 2001 PA 34, MCL 141.2101 to
20 141.2821, or other statutory authority, for financing an
21 outstanding obligation upon which the district or intermediate
22 district defaulted. Amounts withheld shall be used to pay, on
23 behalf of the district or intermediate district, unpaid amounts or
24 subsequently due amounts, or both, of principal and interest on the
25 outstanding obligation upon which the district or intermediate
26 district defaulted.

27 (2) The state treasurer may withhold all or part of any

1 payment that a district or intermediate district is entitled to
2 receive under this act to the extent authorized or required under
3 section 15 of the school bond qualification, approval, and loan
4 act, 2005 PA 92, MCL 388.1935.

5 (3) Under an agreement entered into by a district or
6 intermediate district assigning all or a portion of the payment
7 that it is eligible to receive under this act to the Michigan
8 finance authority or to the trustee of a pooled arrangement or
9 pledging the amount for payment of an obligation it incurred with
10 the Michigan finance authority or with the trustee of a pooled
11 arrangement, the state treasurer shall transmit to the Michigan
12 finance authority or a trustee designated by the Michigan finance
13 authority or to the trustee of a pooled arrangement the amount of
14 the payment that is assigned or pledged under the agreement.

15 (4) If a district or intermediate district for which an
16 emergency manager has been appointed pursuant to the ~~local~~
17 ~~government and school district fiscal accountability act, 2011 PA~~
18 ~~4, MCL 141.1501 to 141.1531,~~ **LOCAL FINANCIAL STABILITY AND CHOICE**
19 **ACT, 2012 PA 436, MCL 141.1541 TO 141.1575,** or that has an approved
20 deficit elimination plan under section 102, enters into or has
21 entered into an agreement described in subsection (3) pursuant to
22 section 1225(2) of the revised school code, MCL 380.1225, whether
23 the obligation was issued before or after the effective date of
24 this subsection, the portion of state school aid paid or to be paid
25 on behalf of the district or intermediate district directly to the
26 Michigan finance authority, or to a trustee designated by the
27 Michigan finance authority, for the sole purpose of paying the

1 principal of and interest on the obligation is subject to a lien
2 and trust that is a statutory lien and trust, paramount and
3 superior to all other liens and interests of any kind, for the sole
4 purpose of paying the principal of and interest on the obligation.
5 The statutory lien and trust applies to the state school aid
6 received or to be received by the Michigan finance authority, or
7 trustee designated by the Michigan finance authority, on behalf of
8 the district or intermediate district, immediately upon the later
9 of the effective date of this subsection or the time when the state
10 school aid is allocated to the district or intermediate district,
11 but is subject to any subsequent reduction of the state school aid
12 allocation by operation of law or executive order. The lien and
13 trust imposed by this section with respect to state school aid has
14 a priority as established in the agreement, except that the
15 agreement shall not impair any existing lien and trust previously
16 created pursuant to this section, including any lien and trust
17 applicable to a multi-year repayment agreement under section 1225
18 of the revised school code, ~~1976 PA 451~~, MCL 380.1225. Except as
19 otherwise provided in this subsection, the lien and trust created
20 under this subsection for the benefit of holders of the obligation
21 issued pursuant to this section is valid and binding against a
22 party having a claim of any kind in tort, contract, or otherwise
23 against the district or intermediate district that has issued the
24 obligation secured by a pledge of state school aid pursuant to this
25 section, regardless of whether that party has notice of the pledge.
26 A pledge made pursuant to this section for the benefit of the
27 holders of obligations or others is perfected without delivery,

1 recording, or notice. The state school aid paid or to be paid on
2 behalf of a district or intermediate district to the Michigan
3 finance authority, or trustee designated by the Michigan finance
4 authority, shall be held in trust for the sole benefit of the
5 holders of the obligation issued pursuant to this section or
6 section 1225 **OF THE REVISED SCHOOL CODE, MCL 380.1225**, and is
7 exempt from being levied upon, taken, sequestered, or applied
8 toward paying the debts or liabilities of the district or
9 intermediate district other than for payment of the obligation to
10 which the lien applies. However, nothing in this subsection alters
11 the ability of the state treasurer to withhold state school aid
12 from a district or intermediate district as provided by law.

13 (5) Notwithstanding the payment dates prescribed by this act
14 for distributions under this act, the state treasurer may advance
15 all or part of a payment that is dedicated for distribution or for
16 which the appropriation authorizing the payment has been made if
17 and to the extent, under the terms of an agreement entered into by
18 a district or intermediate district and the Michigan finance
19 authority, the payment that the district or intermediate district
20 is eligible to receive has been assigned to or pledged for payment
21 of an obligation it incurred with the Michigan finance authority.

22 (6) This section does not require the state to make an
23 appropriation to any school district or intermediate school
24 district and shall not be construed as creating an indebtedness of
25 the state, and any agreement made pursuant to this section shall
26 contain a statement to that effect.

27 (7) As used in this section, "trustee of a pooled arrangement"

1 means the trustee of a trust approved by the state treasurer and,
2 subject to the conditions and requirements of that approval,
3 established for the purpose of offering for sale, as part of a
4 pooled arrangement, certificates representing undivided interests
5 in notes issued by districts or intermediate districts under
6 section 1225 of the revised school code, ~~1976 PA 451, MCL 380.1225.~~

7 (8) If a trustee applies to the state treasurer for approval
8 of a trust for the purposes of this section, the state treasurer
9 shall approve or disapprove the trust within 10 days after receipt
10 of the application.

11 Sec. 20. (1) For 2013-2014, the basic foundation allowance is
12 \$8,049.00.

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

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

20 (a) For a district that had a foundation allowance for the
21 immediately preceding state fiscal year that was at least equal to
22 the sum of \$7,108.00 plus the total dollar amount of all
23 adjustments made from 2006-2007 to the immediately preceding state
24 fiscal year in the lowest foundation allowance among all districts,
25 but less than the basic foundation allowance for the immediately
26 preceding state fiscal year, the district shall receive a
27 foundation allowance in an amount equal to the sum of the greater

1 of \$6,966.00 or the district's foundation allowance for the
2 immediately preceding state fiscal year plus the difference between
3 twice the dollar amount of the adjustment from the immediately
4 preceding state fiscal year to the current state fiscal year made
5 in the basic foundation allowance and [(the dollar amount of the
6 adjustment from the immediately preceding state fiscal year to the
7 current state fiscal year made in the basic foundation allowance
8 minus \$10.00) times (the difference between the district's
9 foundation allowance for the immediately preceding state fiscal
10 year and the sum of \$7,108.00 plus the total dollar amount of all
11 adjustments made from 2006-2007 to the immediately preceding state
12 fiscal year in the lowest foundation allowance among all districts)
13 divided by the difference between the basic foundation allowance
14 for the current state fiscal year and the sum of \$7,108.00 plus the
15 total dollar amount of all adjustments made from 2006-2007 to the
16 immediately preceding state fiscal year in the lowest foundation
17 allowance among all districts]. For 2011-2012, for a district that
18 had a foundation allowance for the immediately preceding state
19 fiscal year that was at least equal to the sum of \$7,108.00 plus
20 the total dollar amount of all adjustments made from 2006-2007 to
21 the immediately preceding state fiscal year in the lowest
22 foundation allowance among all districts, but less than the basic
23 foundation allowance for the immediately preceding state fiscal
24 year, the district shall receive a foundation allowance in an
25 amount equal to the district's foundation allowance for 2010-2011,
26 minus \$470.00. Except as otherwise provided in subdivision (h), for
27 2013-2014, for a district that had a foundation allowance for the

1 immediately preceding state fiscal year that was at least equal to
2 the sum of \$7,108.00 plus the total dollar amount of all
3 adjustments made from 2006-2007 to the immediately preceding state
4 fiscal year in the lowest foundation allowance among all districts,
5 but less than the basic foundation allowance for the immediately
6 preceding state fiscal year, the district shall receive a
7 foundation allowance in an amount equal to the district's
8 foundation allowance for the immediately preceding state fiscal
9 year. However, the foundation allowance for a district that had
10 less than the basic foundation allowance for the immediately
11 preceding state fiscal year shall not exceed the basic foundation
12 allowance for the current state fiscal year.

13 (b) Except as otherwise provided in this subsection, for a
14 district that in the immediately preceding state fiscal year had a
15 foundation allowance in an amount at least equal to the amount of
16 the basic foundation allowance for the immediately preceding state
17 fiscal year, the district shall receive a foundation allowance for
18 2011-2012 in an amount equal to the district's foundation allowance
19 for 2010-2011, minus \$470.00. For 2013-2014, except as otherwise
20 provided in this subsection, for a district that in the immediately
21 preceding state fiscal year had a foundation allowance in an amount
22 at least equal to the amount of the basic foundation allowance for
23 the immediately preceding state fiscal year, the district shall
24 receive a foundation allowance in an amount equal to the district's
25 foundation allowance for the immediately preceding state fiscal
26 year.

27 (c) Except as otherwise provided in subdivision (d), for a

1 district that in the 1994-95 state fiscal year had a foundation
2 allowance greater than \$6,500.00, the district's foundation
3 allowance is an amount equal to the sum of the district's
4 foundation allowance for the immediately preceding state fiscal
5 year plus the lesser of the increase in the basic foundation
6 allowance for the current state fiscal year, as compared to the
7 immediately preceding state fiscal year, or the product of the
8 district's foundation allowance for the immediately preceding state
9 fiscal year times the percentage increase in the United States
10 consumer price index in the calendar year ending in the immediately
11 preceding fiscal year as reported by the May revenue estimating
12 conference conducted under section 367b of the management and
13 budget act, 1984 PA 431, MCL 18.1367b. Except as otherwise provided
14 in subdivision (d), for 2011-2012, for a district that in the 1994-
15 1995 state fiscal year had a foundation allowance greater than
16 \$6,500.00, the district's foundation allowance is an amount equal
17 to the district's foundation allowance for the 2010-2011 fiscal
18 year minus \$470.00. For 2013-2014, except as otherwise provided in
19 subdivision (d), for a district that in the 1994-1995 state fiscal
20 year had a foundation allowance greater than \$6,500.00, the
21 district's foundation allowance is an amount equal to the
22 district's foundation allowance for the immediately preceding state
23 fiscal year.

24 (d) For a district that in the 1994-95 state fiscal year had a
25 foundation allowance greater than \$6,500.00 and that had a
26 foundation allowance for the 2009-2010 state fiscal year, as
27 otherwise calculated under this section, that was less than the

1 basic foundation allowance, the district's foundation allowance for
2 2011-2012 and each succeeding fiscal year shall be considered to be
3 an amount equal to the basic foundation allowance.

4 (e) For a district that has a foundation allowance that is not
5 a whole dollar amount, the district's foundation allowance shall be
6 rounded up to the nearest whole dollar.

7 (f) For a district that received a payment under section 22c
8 as that section was in effect for 2001-2002, the district's 2001-
9 2002 foundation allowance shall be considered to have been an
10 amount equal to the sum of the district's actual 2001-2002
11 foundation allowance as otherwise calculated under this section
12 plus the per pupil amount of the district's equity payment for
13 2001-2002 under section 22c as that section was in effect for 2001-
14 2002.

15 (g) For a district that received a payment under section 22c
16 as that section was in effect for 2006-2007, the district's 2006-
17 2007 foundation allowance shall be considered to have been an
18 amount equal to the sum of the district's actual 2006-2007
19 foundation allowance as otherwise calculated under this section
20 plus the per pupil amount of the district's equity payment for
21 2006-2007 under section 22c as that section was in effect for 2006-
22 2007.

23 (h) For 2012-2013, for a district that had a foundation
24 allowance for the 2011-2012 state fiscal year of less than
25 \$6,966.00, the district's foundation allowance is an amount equal
26 to \$6,966.00.

27 (4) Except as otherwise provided in this subsection, the state

1 portion of a district's foundation allowance is an amount equal to
2 the district's foundation allowance or the basic foundation
3 allowance for the current state fiscal year, whichever is less,
4 minus the difference between the sum of the product of the taxable
5 value per membership pupil of all property in the district that is
6 nonexempt property times the district's certified mills and, for a
7 district with certified mills exceeding 12, the product of the
8 taxable value per membership pupil of property in the district that
9 is commercial personal property times the certified mills minus 12
10 mills and the quotient of the ad valorem property tax revenue of
11 the district captured under tax increment financing acts divided by
12 the district's membership excluding special education pupils. For a
13 district described in subsection (3)(c), the state portion of the
14 district's foundation allowance is an amount equal to \$6,962.00
15 plus the difference between the district's foundation allowance for
16 the current state fiscal year and the district's foundation
17 allowance for 1998-99, minus the difference between the sum of the
18 product of the taxable value per membership pupil of all property
19 in the district that is nonexempt property times the district's
20 certified mills and, for a district with certified mills exceeding
21 12, the product of the taxable value per membership pupil of
22 property in the district that is commercial personal property times
23 the certified mills minus 12 mills and the quotient of the ad
24 valorem property tax revenue of the district captured under tax
25 increment financing acts divided by the district's membership
26 excluding special education pupils. For a district that has a
27 millage reduction required under section 31 of article IX of the

1 state constitution of 1963, the state portion of the district's
2 foundation allowance shall be calculated as if that reduction did
3 not occur. **FOR A RECEIVING DISTRICT, IF SCHOOL OPERATING TAXES**
4 **CONTINUE TO BE LEVIED ON BEHALF OF A DISSOLVED DISTRICT THAT HAS**
5 **BEEN ATTACHED IN WHOLE OR IN PART TO THE RECEIVING DISTRICT TO**
6 **SATISFY DEBT OBLIGATIONS OF THE DISSOLVED DISTRICT UNDER SECTION 12**
7 **OF THE REVISED SCHOOL CODE, MCL 380.12, THE TAXABLE VALUE PER**
8 **MEMBERSHIP PUPIL OF PROPERTY IN THE RECEIVING DISTRICT USED FOR THE**
9 **PURPOSES OF THIS SUBSECTION, DOES NOT INCLUDE THE TAXABLE VALUE OF**
10 **PROPERTY WITHIN THE GEOGRAPHIC AREA OF THE DISSOLVED DISTRICT.**

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

25 (6) Except as otherwise provided in this subsection, for
26 pupils in membership, other than special education pupils, in a
27 public school academy, the allocation calculated under this section

1 is an amount per membership pupil other than special education
2 pupils in the public school academy equal to the foundation
3 allowance of the district in which the public school academy is
4 located or the state maximum public school academy allocation,
5 whichever is less. However, a public school academy that had an
6 allocation under this subsection before 2009-2010 that was equal to
7 the sum of the local school operating revenue per membership pupil
8 other than special education pupils for the district in which the
9 public school academy is located and the state portion of that
10 district's foundation allowance shall not have that allocation
11 reduced as a result of the 2010 amendment to this subsection.
12 Notwithstanding section 101, for a public school academy that
13 begins operations after the pupil membership count day, the amount
14 per membership pupil calculated under this subsection shall be
15 adjusted by multiplying that amount per membership pupil by the
16 number of hours of pupil instruction provided by the public school
17 academy after it begins operations, as determined by the
18 department, divided by the minimum number of hours of pupil
19 instruction required under section 101(3). The result of this
20 calculation shall not exceed the amount per membership pupil
21 otherwise calculated under this subsection.

22 (7) Except as otherwise provided in this subsection, for
23 pupils attending an achievement school and in membership in the
24 education achievement system, other than special education pupils,
25 the allocation calculated under this section is an amount per
26 membership pupil other than special education pupils equal to the
27 foundation allowance of the district in which the achievement

1 school is located, not to exceed the basic foundation allowance.
2 Notwithstanding section 101, for an achievement school that begins
3 operation after the pupil membership count day, the amount per
4 membership pupil calculated under this subsection shall be adjusted
5 by multiplying that amount per membership pupil by the number of
6 hours of pupil instruction provided by the achievement school after
7 it begins operations, as determined by the department, divided by
8 the minimum number of hours of pupil instruction required under
9 section 101(3). The result of this calculation shall not exceed the
10 amount per membership pupil otherwise calculated under this
11 subsection. For the purposes of this subsection, if a public school
12 is transferred from a district to the state school reform/redesign
13 district or the achievement authority under section 1280c of the
14 revised school code, **MCL 380.1280C**, that public school is
15 considered to be an achievement school within the education
16 achievement system and not a school that is part of a district, and
17 a pupil attending that public school is considered to be in
18 membership in the education achievement system and not in
19 membership in the district that operated the school before the
20 transfer.

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

1 weighted as to the percentage of pupils in total membership in the
2 resulting district who reside in the geographic area of each of the
3 original or affected districts plus \$100.00 or the highest
4 foundation allowance among the original or affected districts. **THIS**
5 **SUBSECTION DOES NOT APPLY TO A RECEIVING DISTRICT UNLESS THERE IS A**
6 **SUBSEQUENT CONSOLIDATION OR ANNEXATION THAT AFFECTS THE DISTRICT.**

7 (9) Each fraction used in making calculations under this
8 section shall be rounded to the fourth decimal place and the dollar
9 amount of an increase in the basic foundation allowance shall be
10 rounded to the nearest whole dollar.

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

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

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

1 senate subcommittees responsible for school aid appropriations not
2 later than 7 days after the conclusion of the revenue conference.

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

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

1 (12) For a district that received a grant under former section
2 32e for 2001-2002, the district's foundation allowance for 2002-
3 2003 and each succeeding fiscal year shall be adjusted to be an
4 amount equal to the sum of the district's foundation allowance, as
5 otherwise calculated under this section, plus the quotient of 100%
6 of the amount of the grant award to the district for 2001-2002
7 under former section 32e divided by the number of pupils in the
8 district's membership for 2001-2002 who were residents of and
9 enrolled in the district. All of the following apply to districts
10 receiving a foundation allowance adjustment under this subsection:

11 (a) Except as otherwise provided in this subdivision, a
12 district qualifying for a foundation allowance adjustment under
13 this subsection shall use the funds resulting from this adjustment
14 for at least 1 of grades K to 3 for purposes allowable under former
15 section 32e as in effect for 2001-2002. For an individual school or
16 schools operated by a district qualifying for a foundation
17 allowance adjustment under this subsection that have been
18 determined by the department to meet the adequate yearly progress
19 standards of the federal no child left behind act of 2001, Public
20 Law 107-110, in both mathematics and English language arts at all
21 applicable grade levels for all applicable subgroups, the district
22 may submit to the department an application for flexibility in
23 using the funds resulting from this adjustment that are
24 attributable to the pupils in the school or schools. The
25 application shall identify the affected school or schools and the
26 affected funds and shall contain a plan for using the funds for
27 specific purposes identified by the district that are designed to

1 reduce class size, but that may be different from the purposes
2 otherwise allowable under this subdivision. The department shall
3 approve the application if the department determines that the
4 purposes identified in the plan are reasonably designed to reduce
5 class size. If the department does not act to approve or disapprove
6 an application within 30 days after it is submitted to the
7 department, the application is considered to be approved. If an
8 application for flexibility in using the funds is approved, the
9 district may use the funds identified in the application for any
10 purpose identified in the plan.

11 (b) A district receiving an adjustment under this subsection
12 shall not receive as a result of this adjustment an amount that
13 exceeds 68.5% of the amount the district received as a result of
14 this adjustment for 2010-2011.

15 (c) Notwithstanding subsection (8), for a district that is
16 formed or reconfigured by consolidation of 2 or more districts, 1
17 of which received an adjustment under this subsection for 2012-
18 2013, the resulting district's foundation allowance for 2013-2014
19 and each succeeding fiscal year shall be adjusted to be an amount
20 equal to the sum of the resulting district's foundation allowance
21 as calculated under subsection (8) excluding any adjustment
22 calculated under this subsection plus [(the original district's
23 adjustment under this subsection in 2012-2013 times the number of
24 pupils in the original district's membership for 2012-2013) divided
25 by the number of pupils in the resulting district's membership for
26 2013-2014].

27 (d) Beginning in 2013-2014, for a district that received an

1 adjustment for the immediately preceding fiscal year and that had a
2 foundation allowance as adjusted by this subsection for the
3 immediately preceding fiscal year equal to \$6,966.00, the district
4 shall not receive an adjustment under this section for the current
5 fiscal year.

6 (13) Payments to districts, public school academies, or the
7 education achievement system shall not be made under this section.
8 Rather, the calculations under this section shall be used to
9 determine the amount of state payments under section 22b.

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

15 (15) As used in this section:

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

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

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

26 (d) "Current state fiscal year" means the state fiscal year
27 for which a particular calculation is made.

1 (E) "DISSOLVED DISTRICT" MEANS A DISTRICT THAT LOSES ITS
2 ORGANIZATION, HAS ITS TERRITORY ATTACHED TO 1 OR MORE OTHER
3 DISTRICTS, AND IS DISSOLVED AS PROVIDED UNDER SECTION 12 OF THE
4 REVISED SCHOOL CODE, MCL 380.12.

5 (F) ~~(e)~~—"Immediately preceding state fiscal year" means the
6 state fiscal year immediately preceding the current state fiscal
7 year.

8 (G) ~~(f)~~—"Local school operating revenue" means school
9 operating taxes levied under section 1211 of the revised school
10 code, MCL 380.1211. FOR A RECEIVING DISTRICT, IF SCHOOL OPERATING
11 TAXES ARE TO BE LEVIED ON BEHALF OF A DISSOLVED DISTRICT THAT HAS
12 BEEN ATTACHED IN WHOLE OR IN PART TO THE RECEIVING DISTRICT TO
13 SATISFY DEBT OBLIGATIONS OF THE DISSOLVED DISTRICT UNDER SECTION 12
14 OF THE REVISED SCHOOL CODE, MCL 380.12, LOCAL SCHOOL OPERATING
15 REVENUE DOES NOT INCLUDE SCHOOL OPERATING TAXES LEVIED WITHIN THE
16 GEOGRAPHIC AREA OF THE DISSOLVED DISTRICT.

17 (H) ~~(g)~~—"Local school operating revenue per membership pupil"
18 means a district's local school operating revenue divided by the
19 district's membership excluding special education pupils.

20 (I) ~~(h)~~—"Maximum public school academy allocation", except as
21 otherwise provided in this subdivision, means the maximum per-pupil
22 allocation as calculated by adding the highest per-pupil allocation
23 among all public school academies for the immediately preceding
24 state fiscal year plus the difference between twice the dollar
25 amount of the adjustment from the immediately preceding state
26 fiscal year to the current state fiscal year made in the basic
27 foundation allowance and [(the dollar amount of the adjustment from

1 the immediately preceding state fiscal year to the current state
 2 fiscal year made in the basic foundation allowance minus \$10.00)
 3 times (the difference between the highest per-pupil allocation
 4 among all public school academies for the immediately preceding
 5 state fiscal year and the sum of \$7,108.00 plus the total dollar
 6 amount of all adjustments made from 2006-2007 to the immediately
 7 preceding state fiscal year in the lowest per-pupil allocation
 8 among all public school academies) divided by the difference
 9 between the basic foundation allowance for the current state fiscal
 10 year and the sum of \$7,108.00 plus the total dollar amount of all
 11 adjustments made from 2006-2007 to the immediately preceding state
 12 fiscal year in the lowest per-pupil allocation among all public
 13 school academies].

14 (J) ~~(i)~~—"Membership" means the definition of that term under
 15 section 6 as in effect for the particular fiscal year for which a
 16 particular calculation is made.

17 (K) ~~(j)~~—"Nonexempt property" means property that is not a
 18 principal residence, qualified agricultural property, qualified
 19 forest property, supportive housing property, industrial personal
 20 property, or commercial personal property.

21 (L) ~~(k)~~—"Principal residence", "qualified agricultural
 22 property", "qualified forest property", "supportive housing
 23 property", "industrial personal property", and "commercial personal
 24 property" mean those terms as defined in section 1211 of the
 25 revised school code, MCL 380.1211.

26 (M) "RECEIVING DISTRICT" MEANS A DISTRICT TO WHICH ALL OR PART
 27 OF THE TERRITORY OF A DISSOLVED DISTRICT IS ATTACHED UNDER SECTION

1 12 OF THE REVISED SCHOOL CODE, MCL 380.12.

2 (N) ~~(H)~~—"School operating purposes" means the purposes included
3 in the operation costs of the district as prescribed in sections 7
4 and 18 **AND PURPOSES AUTHORIZED UNDER SECTION 1211 OF THE REVISED**
5 **SCHOOL CODE, MCL 380.1211.**

6 (O) ~~(m)~~—"School operating taxes" means local ad valorem
7 property taxes levied under section 1211 of the revised school
8 code, MCL 380.1211, and retained for school operating purposes.

9 (P) ~~(n)~~—"Tax increment financing acts" means 1975 PA 197, MCL
10 125.1651 to 125.1681, the tax increment finance authority act, 1980
11 PA 450, MCL 125.1801 to 125.1830, the local development financing
12 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
13 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
14 or the corridor improvement authority act, 2005 PA 280, MCL
15 125.2871 to 125.2899.

16 (Q) ~~(o)~~—"Taxable value per membership pupil" means taxable
17 value, as certified by the department of treasury, for the calendar
18 year ending in the current state fiscal year divided by the
19 district's membership excluding special education pupils for the
20 school year ending in the current state fiscal year.

21 **SEC. 20G. (1) FROM THE GENERAL FUND MONEY APPROPRIATED UNDER**
22 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
23 **\$2,200,000.00 FOR 2013-2014 FOR GRANTS TO ELIGIBLE DISTRICTS FOR**
24 **TRANSITION COSTS RELATED TO THE ENROLLMENT OF PUPILS WHO WERE**
25 **PREVIOUSLY ENROLLED IN A DISTRICT THAT WAS DISSOLVED UNDER SECTION**
26 **12 OF THE REVISED SCHOOL CODE, MCL 380.12. IT IS THE INTENT OF THE**
27 **LEGISLATURE TO CONTINUE THIS TRANSITION FUNDING FOR A TOTAL OF 4**

1 FISCAL YEARS FOLLOWING THE DISSOLUTION OF A DISTRICT.

2 (2) A RECEIVING SCHOOL DISTRICT, AS THAT TERM IS DEFINED IN
3 SECTION 12 OF THE REVISED SCHOOL CODE, MCL 380.12, IS AN ELIGIBLE
4 DISTRICT UNDER THIS SECTION.

5 (3) THE AMOUNT ALLOCATED TO EACH ELIGIBLE DISTRICT UNDER THIS
6 SECTION IS AN AMOUNT EQUAL TO THE PRODUCT OF THE NUMBER OF
7 MEMBERSHIP PUPILS ENROLLED IN THE ELIGIBLE DISTRICT WHO WERE
8 PREVIOUSLY ENROLLED IN THE DISSOLVED DISTRICT IN THE SCHOOL YEAR
9 IMMEDIATELY PRECEDING THE DISSOLUTION, OR WHO RESIDE IN THE
10 GEOGRAPHIC AREA OF THE DISSOLVED DISTRICT AND ARE ENTERING
11 KINDERGARTEN, TIMES 10.0% OF THE LESSER OF THE FOUNDATION ALLOWANCE
12 OF THE ELIGIBLE DISTRICT AS CALCULATED UNDER SECTION 20 OR THE
13 BASIC FOUNDATION ALLOWANCE UNDER SECTION 20(1).

14 Sec. 22a. (1) From the appropriation in section 11, there is
15 allocated an amount not to exceed \$5,630,000,000.00 for 2012-2013
16 and there is allocated an amount not to exceed ~~\$5,534,000,000.00~~
17 \$5,536,700,000.00 for 2013-2014 for payments to districts and
18 qualifying public school academies to guarantee each district and
19 qualifying public school academy an amount equal to its 1994-95
20 total state and local per pupil revenue for school operating
21 purposes under section 11 of article IX of the state constitution
22 of 1963. Pursuant to section 11 of article IX of the state
23 constitution of 1963, this guarantee does not apply to a district
24 in a year in which the district levies a millage rate for school
25 district operating purposes less than it levied in 1994. However,
26 subsection (2) applies to calculating the payments under this
27 section. Funds allocated under this section that are not expended

1 in the state fiscal year for which they were allocated, as
2 determined by the department, may be used to supplement the
3 allocations under sections 22b and 51c in order to fully fund those
4 calculated allocations for the same fiscal year.

5 (2) To ensure that a district receives an amount equal to the
6 district's 1994-95 total state and local per pupil revenue for
7 school operating purposes, there is allocated to each district a
8 state portion of the district's 1994-95 foundation allowance in an
9 amount calculated as follows:

10 (a) Except as otherwise provided in this subsection, the state
11 portion of a district's 1994-95 foundation allowance is an amount
12 equal to the district's 1994-95 foundation allowance or \$6,500.00,
13 whichever is less, minus the difference between the sum of the
14 product of the taxable value per membership pupil of all property
15 in the district that is nonexempt property times the district's
16 certified mills and, for a district with certified mills exceeding
17 12, the product of the taxable value per membership pupil of
18 property in the district that is commercial personal property times
19 the certified mills minus 12 mills and the quotient of the ad
20 valorem property tax revenue of the district captured under tax
21 increment financing acts divided by the district's membership. For
22 a district that has a millage reduction required under section 31
23 of article IX of the state constitution of 1963, the state portion
24 of the district's foundation allowance shall be calculated as if
25 that reduction did not occur. **FOR A RECEIVING DISTRICT, IF SCHOOL**
26 **OPERATING TAXES ARE TO BE LEVIED ON BEHALF OF A DISSOLVED DISTRICT**
27 **THAT HAS BEEN ATTACHED IN WHOLE OR IN PART TO THE RECEIVING**

1 DISTRICT TO SATISFY DEBT OBLIGATIONS OF THE DISSOLVED DISTRICT
2 UNDER SECTION 12 OF THE REVISED SCHOOL CODE, MCL 380.12, TAXABLE
3 VALUE PER MEMBERSHIP PUPIL OF ALL PROPERTY IN THE RECEIVING
4 DISTRICT THAT IS NONEXEMPT PROPERTY AND TAXABLE VALUE PER
5 MEMBERSHIP PUPIL OF PROPERTY IN THE RECEIVING DISTRICT THAT IS
6 COMMERCIAL PERSONAL PROPERTY DO NOT INCLUDE PROPERTY WITHIN THE
7 GEOGRAPHIC AREA OF THE DISSOLVED DISTRICT; AD VALOREM PROPERTY TAX
8 REVENUE OF THE RECEIVING DISTRICT CAPTURED UNDER TAX INCREMENT
9 FINANCING ACTS DOES NOT INCLUDE AD VALOREM PROPERTY TAX REVENUE
10 CAPTURED WITHIN THE GEOGRAPHIC BOUNDARIES OF THE DISSOLVED DISTRICT
11 UNDER TAX INCREMENT FINANCING ACTS; AND CERTIFIED MILLS DO NOT
12 INCLUDE THE CERTIFIED MILLS OF THE DISSOLVED DISTRICT.

13 (b) For a district that had a 1994-95 foundation allowance
14 greater than \$6,500.00, the state payment under this subsection
15 shall be the sum of the amount calculated under subdivision (a)
16 plus the amount calculated under this subdivision. The amount
17 calculated under this subdivision shall be equal to the difference
18 between the district's 1994-95 foundation allowance minus \$6,500.00
19 and the current year hold harmless school operating taxes per
20 pupil. If the result of the calculation under subdivision (a) is
21 negative, the negative amount shall be an offset against any state
22 payment calculated under this subdivision. If the result of a
23 calculation under this subdivision is negative, there shall not be
24 a state payment or a deduction under this subdivision. The taxable
25 values per membership pupil used in the calculations under this
26 subdivision are as adjusted by ad valorem property tax revenue
27 captured under tax increment financing acts divided by the

1 district's membership. **FOR A RECEIVING DISTRICT, IF SCHOOL**
2 **OPERATING TAXES ARE TO BE LEVIED ON BEHALF OF A DISSOLVED DISTRICT**
3 **THAT HAS BEEN ATTACHED IN WHOLE OR IN PART TO THE RECEIVING**
4 **DISTRICT TO SATISFY DEBT OBLIGATIONS OF THE DISSOLVED DISTRICT**
5 **UNDER SECTION 12 OF THE REVISED SCHOOL CODE, MCL 380.12, AD VALOREM**
6 **PROPERTY TAX REVENUE CAPTURED UNDER TAX INCREMENT FINANCING ACTS DO**
7 **NOT INCLUDE AD VALOREM PROPERTY TAX REVENUE CAPTURED WITHIN THE**
8 **GEOGRAPHIC BOUNDARIES OF THE DISSOLVED DISTRICT UNDER TAX INCREMENT**
9 **FINANCING ACTS.**

10 (3) Beginning in 2003-2004, for pupils in membership in a
11 qualifying public school academy, there is allocated under this
12 section to the authorizing body that is the fiscal agent for the
13 qualifying public school academy for forwarding to the qualifying
14 public school academy an amount equal to the 1994-95 per pupil
15 payment to the qualifying public school academy under section 20.

16 (4) A district or qualifying public school academy may use
17 funds allocated under this section in conjunction with any federal
18 funds for which the district or qualifying public school academy
19 otherwise would be eligible.

20 (5) ~~For~~**EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR** a
21 district that is formed or reconfigured after June 1, 2000 by
22 consolidation of 2 or more districts or by annexation, the
23 resulting district's 1994-95 foundation allowance under this
24 section beginning after the effective date of the consolidation or
25 annexation shall be the average of the 1994-95 foundation
26 allowances of each of the original or affected districts,
27 calculated as provided in this section, weighted as to the

1 percentage of pupils in total membership in the resulting district
2 in the state fiscal year in which the consolidation takes place who
3 reside in the geographic area of each of the original districts. If
4 an affected district's 1994-95 foundation allowance is less than
5 the 1994-95 basic foundation allowance, the amount of that
6 district's 1994-95 foundation allowance shall be considered for the
7 purpose of calculations under this subsection to be equal to the
8 amount of the 1994-95 basic foundation allowance. **THIS SUBSECTION**
9 **DOES NOT APPLY TO A RECEIVING DISTRICT UNLESS THERE IS A SUBSEQUENT**
10 **CONSOLIDATION OR ANNEXATION THAT AFFECTS THE DISTRICT.**

11 (6) As used in this section:

12 (a) "1994-95 foundation allowance" means a district's 1994-95
13 foundation allowance calculated and certified by the department of
14 treasury or the superintendent under former section 20a as enacted
15 in 1993 PA 336 and as amended by 1994 PA 283.

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

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

21 (d) "Current year hold harmless school operating taxes per
22 pupil" means the per pupil revenue generated by multiplying a
23 district's 1994-95 hold harmless millage by the district's current
24 year taxable value per membership pupil. **FOR A RECEIVING DISTRICT,**
25 **IF SCHOOL OPERATING TAXES ARE 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**

1 DISTRICT UNDER SECTION 12 OF THE REVISED SCHOOL CODE, MCL 380.12,
2 TAXABLE VALUE PER MEMBERSHIP PUPIL DOES NOT INCLUDE THE TAXABLE
3 VALUE OF PROPERTY WITHIN THE GEOGRAPHIC AREA OF THE DISSOLVED
4 DISTRICT.

5 (E) "DISSOLVED DISTRICT" MEANS A DISTRICT THAT LOSES ITS
6 ORGANIZATION, HAS ITS TERRITORY ATTACHED TO 1 OR MORE OTHER
7 DISTRICTS, AND IS DISSOLVED AS PROVIDED UNDER SECTION 12 OF THE
8 REVISED SCHOOL CODE, MCL 380.12.

9 (F) ~~(e)~~—"Hold harmless millage" means, for a district with a
10 1994-95 foundation allowance greater than \$6,500.00, the number of
11 mills by which the exemption from the levy of school operating
12 taxes on a homestead, qualified agricultural property, qualified
13 forest property, supportive housing property, industrial personal
14 property, and commercial personal property could be reduced as
15 provided in section 1211 of the revised school code, MCL 380.1211,
16 and the number of mills of school operating taxes that could be
17 levied on all property as provided in section 1211(2) of the
18 revised school code, MCL 380.1211, as certified by the department
19 of treasury for the 1994 tax year. FOR A RECEIVING DISTRICT, IF
20 SCHOOL OPERATING TAXES ARE TO BE LEVIED ON BEHALF OF A DISSOLVED
21 DISTRICT THAT HAS BEEN ATTACHED IN WHOLE OR IN PART TO THE
22 RECEIVING DISTRICT TO SATISFY DEBT OBLIGATIONS OF THE DISSOLVED
23 DISTRICT UNDER SECTION 12 OF THE REVISED SCHOOL CODE, MCL 380.12,
24 SCHOOL OPERATING TAXES DO NOT INCLUDE SCHOOL OPERATING TAXES LEVIED
25 WITHIN THE GEOGRAPHIC AREA OF THE DISSOLVED DISTRICT.

26 (G) ~~(f)~~—"Homestead", "qualified agricultural property",
27 "qualified forest property", "supportive housing property",

1 "industrial personal property", and "commercial personal property"
 2 mean those terms as defined in section 1211 of the revised school
 3 code, MCL 380.1211.

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

7 (I) ~~(h)~~ "Nonexempt property" means property that is not a
 8 principal residence, qualified agricultural property, qualified
 9 forest property, supportive housing property, industrial personal
 10 property, or commercial personal property.

11 (J) ~~(i)~~ "Qualifying public school academy" means a public
 12 school academy that was in operation in the 1994-95 school year and
 13 is in operation in the current state fiscal year.

14 (K) "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 (L) ~~(j)~~ "School operating taxes" means local ad valorem
 18 property taxes levied under section 1211 of the revised school
 19 code, MCL 380.1211, and retained for school operating purposes **AS**
 20 **DEFINED IN SECTION 20.**

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

1 (N) ~~(H)~~ "Taxable value per membership pupil" means each of the
2 following divided by the district's membership:

3 (i) For the number of mills by which the exemption from the
4 levy of school operating taxes on a homestead, qualified
5 agricultural property, qualified forest property, supportive
6 housing property, industrial personal property, and commercial
7 personal property may be reduced as provided in section 1211 of the
8 revised school code, MCL 380.1211, the taxable value of homestead,
9 qualified agricultural property, qualified forest property,
10 supportive housing property, industrial personal property, and
11 commercial personal property for the calendar year ending in the
12 current state fiscal year. **FOR A RECEIVING DISTRICT, IF SCHOOL
13 OPERATING TAXES ARE TO BE LEVIED ON BEHALF OF A DISSOLVED DISTRICT
14 THAT HAS BEEN ATTACHED IN WHOLE OR IN PART TO THE RECEIVING
15 DISTRICT TO SATISFY DEBT OBLIGATIONS OF THE DISSOLVED DISTRICT
16 UNDER SECTION 12 OF THE REVISED SCHOOL CODE, MCL 380.12, MILLS DO
17 NOT INCLUDE MILLS WITHIN THE GEOGRAPHIC AREA OF THE DISSOLVED
18 DISTRICT.**

19 (ii) For the number of mills of school operating taxes that may
20 be levied on all property as provided in section 1211(2) of the
21 revised school code, MCL 380.1211, the taxable value of all
22 property for the calendar year ending in the current state fiscal
23 year. **FOR A RECEIVING DISTRICT, IF SCHOOL OPERATING TAXES ARE TO BE
24 LEVIED ON BEHALF OF A DISSOLVED DISTRICT THAT HAS BEEN ATTACHED IN
25 WHOLE OR IN PART TO THE RECEIVING DISTRICT TO SATISFY DEBT
26 OBLIGATIONS OF THE DISSOLVED DISTRICT UNDER SECTION 12 OF THE
27 REVISED SCHOOL CODE, MCL 380.12, SCHOOL OPERATING TAXES DO NOT**

1 INCLUDE SCHOOL OPERATING TAXES LEVIED WITHIN THE GEOGRAPHIC AREA OF
2 THE DISSOLVED DISTRICT.

3 Enacting section 1. In accordance with section 30 of article I
4 of the state constitution of 1963, total state spending on school
5 aid under article I of the state school aid act of 1979, 1979 PA
6 94, MCL 388.1601 to 388.1772, as amended by enrolled House Bill No.
7 4228 of the 97th Legislature and this amendatory act, from state
8 sources for fiscal year 2013-2014 is estimated at
9 \$11,602,282,300.00 and state appropriations for school aid to be
10 paid to local units of government for fiscal year 2013-2014 are
11 estimated at \$11,442,024,700.00.

12 Enacting section 2. This amendatory act takes effect October
13 1, 2013.

14 Enacting section 3. This amendatory act does not take effect
15 unless House Bill No. 4813 of the 97th Legislature is enacted into
16 law.