

Act No. 118
Public Acts of 1991
Approved by the Governor
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**STATE OF MICHIGAN
86TH LEGISLATURE
REGULAR SESSION OF 1991**

Introduced by Reps. Ostling, Gilmer, Oxender, Johnson, Knight, Bender and Trim

ENROLLED HOUSE BILL No. 4572

AN ACT to amend the title and sections 3, 6, 8, 11, 12, 15, 17, 18, 19, 21, 21a, 22, 25, 27, 29, 31, 32, 34, 34a, 35, 36, 38, 39, 40, 41, 45, 46, 47, 48, 51, 53, 54, 56, 61, 62, 63, 71, 72, 81, 83, 90, 93, 96, 97, 98, 101, 102, 105, 107, 108, 121, 143, 144, 145, 146, 152, 157, 164, and 166 of Act No. 94 of the Public Acts of 1979, entitled as amended "An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to prescribe penalties; and to repeal certain acts and parts of acts," sections 3 and 107 as amended by Act No. 235 of the Public Acts of 1989, sections 6, 8, 11, 15, 17, 19, 21, 22, 25, 27, 29, 31, 34a, 35, 36, 38, 39, 40, 41, 45, 46, 47, 48, 51, 53, 54, 56, 61, 62, 63, 71, 72, 81, 83, 90, 93, 96, 97, 98, 101, 105, 121, 143, 144, 145, 146, 152, 164, and 166 as amended and sections 12, 21a, and 157 as added by Act No. 207 of the Public Acts of 1990, sections 18 and 108 as amended by Act No. 197 of the Public Acts of 1989, sections 32 and 34 as amended by Act No. 318 of the Public Acts of 1988, and section 102 as amended by Act No. 110 of the Public Acts of 1985, being sections 388.1603, 388.1606, 388.1608, 388.1611, 388.1612, 388.1615, 388.1617, 388.1618, 388.1619, 388.1621, 388.1621a, 388.1622, 388.1625, 388.1627, 388.1629, 388.1631, 388.1632, 388.1634, 388.1634a, 388.1635, 388.1636, 388.1638, 388.1639, 388.1640, 388.1641, 388.1645, 388.1646, 388.1647, 388.1648, 388.1651, 388.1653, 388.1654, 388.1656, 388.1661, 388.1662, 388.1663, 388.1671, 388.1672, 388.1681, 388.1683, 388.1690, 388.1693, 388.1696, 388.1697, 388.1698, 388.1701, 388.1702, 388.1705, 388.1707, 388.1708, 388.1721, 388.1743, 388.1744, 388.1745, 388.1746, 388.1752, 388.1757, 388.1764, and 388.1766 of the Michigan Compiled Laws; to add sections 21b, 23a, 23b, 23c, 43, 53a, 64, 85, 91, 92, 92a, 99, 101a, 104, 104a, 109, 111a, 149, 149a, 152a, 159, and 167; and to repeal certain acts and parts of acts.

The People of the State of Michigan enact:

Section 1. The title and sections 3, 6, 8, 11, 12, 15, 17, 18, 19, 21, 21a, 22, 25, 27, 29, 31, 32, 34, 34a, 35, 36, 38, 39, 40, 41, 45, 46, 47, 48, 51, 53, 54, 56, 61, 62, 63, 71, 72, 81, 83, 90, 93, 96, 97, 98, 101, 102, 105, 107, 108, 121, 143, 144, 145, 146, 152, 157, 164, and 166 of Act No. 94 of the Public Acts of 1979, sections 3 and 107 as amended by Act No. 235 of the Public Acts of 1989, sections 6, 8, 11, 15, 17, 19, 21, 22, 25, 27, 29, 31, 34a, 35, 36, 38, 39, 40, 41, 45, 46, 47, 48, 51, 53, 54, 56, 61, 62, 63, 71, 72, 81, 83, 90, 93, 96, 97, 98, 101, 105, 121, 143, 144, 145, 146, 152, 164, and 166 as amended and sections 12, 21a, and 157 as added by Act No. 207 of the Public Acts of 1990, sections 18 and 108 as amended by Act No. 197 of the Public Acts of 1989, sections 32 and 34 as amended by Act No. 318 of the Public Acts of 1988, and section 102 as amended by Act No. 110 of the Public Acts of 1985, being sections 388.1603, 388.1606, 388.1608, 388.1611, 388.1612, 388.1615, 388.1617, 388.1618, 388.1619, 388.1621,

388.1621a, 388.1622, 388.1625, 388.1627, 388.1629, 388.1631, 388.1632, 388.1634, 388.1634a, 388.1635, 388.1636, 388.1638, 388.1639, 388.1640, 388.1641, 388.1645, 388.1646, 388.1647, 388.1648, 388.1651, 388.1653, 388.1654, 388.1656, 388.1661, 388.1662, 388.1663, 388.1671, 388.1672, 388.1681, 388.1683, 388.1690, 388.1693, 388.1696, 388.1697, 388.1698, 388.1701, 388.1702, 388.1705, 388.1707, 388.1708, 388.1721, 388.1743, 388.1744, 388.1745, 388.1746, 388.1752, 388.1757, 388.1764, and 388.1766 of the Michigan Compiled Laws, are amended and sections 21b, 23a, 23b, 23c, 43, 53a, 64, 85, 91, 92, 92a, 99, 101a, 104, 104a, 109, 111a, 149, 149a, 152a, 159, and 167 are added to read as follows:

TITLE

An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to prescribe penalties; and to repeal certain acts and parts of acts.

Sec. 3. (1) "Average daily attendance", for the purposes of complying with section 198 of part F of title I of Public Law 89-10, 20 U.S.C. 2854, means 92% of the membership as defined in section 6(4).

(2) "Average annual membership" means the average of the number of full-time equivalent pupils in grades K-12 and in adult education determined to be actually enrolled and in regular daily attendance on the pupil membership count day using the membership determination under section 6(4) and the number of full-time equivalent pupils in grades K-12 and in adult education determined to be actually enrolled and in regular daily attendance on the subsequent membership reporting day using the membership determination under section 6(4). For 1991-92, the subsequent membership reporting day is the third Friday in February.

(3) "Board" means the governing body of a district.

(4) "Department" means the department of education.

(5) "District" means a local school district established under part 2, 3, 4, 5, or 6 of the school code of 1976 or a local act school district.

(6) "District superintendent" means the superintendent of a district.

Sec. 6. (1) "Center program" means a program operated by a district or intermediate district for special education pupils from several districts in programs for the autistically impaired, trainable mentally impaired, severely mentally impaired, severely multiply impaired, hearing impaired, physically and otherwise health impaired, and visually impaired. Programs for emotionally impaired pupils housed in buildings that do not serve regular education pupils shall also qualify. Unless otherwise approved by the department, a center program either shall serve all constituent districts within an intermediate district or shall serve several districts with less than 50% of the pupils residing in the operating district. In addition, pupils approved by the department, who formerly would have been placed in a center program, placed in noncenter programs to comply with the least restrictive environment provisions of section 612 of the education of the handicapped act, 20 U.S.C. 1412, may be counted under this section provided:

(a) The pupil is special education eligible and receiving special education programs or services on the pupil count date; and

(b) The pupil is eligible as autistically impaired, trainable mentally impaired, severely mentally impaired, and severely multiply impaired.

(2) "District pupil retention rate" means the proportion of pupils who have not dropped out of school in the immediately preceding school year and is equal to 1 minus the quotient of the number of pupils unaccounted for in the immediately preceding school year, as determined pursuant to subsection (3), divided by the pupils of the immediately preceding school year.

(3) "District pupil retention report" means a report of the number of pupils, excluding migrant and adult, in the district for the immediately preceding school year, adjusted for those pupils who have transferred into the district, transferred out of the district, transferred to alternative programs, and have graduated, to determine the number of pupils who are unaccounted for. The number of pupils unaccounted for shall be calculated as determined by the department.

(4) "Membership", except as otherwise provided in sections 56 and 62, means the number of full-time equivalent pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day as determined by the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the state board. In a district operating an extended school year program approved by the state board, a pupil enrolled, but not scheduled to be in regular daily attendance on the pupil membership count day, shall be counted. A pupil enrolled in a university-operated instructional

program under section 23c shall not be counted in membership in a district. The department shall give a uniform interpretation of full-time and part-time memberships. The state board may provide a district with an adjustment of the district's membership count upon the showing of a substantial increase in membership due to the closing of a nonpublic school or a substantial influx of new residents into the district resulting in a membership increase in a single building of at least 5% but not less than 25 pupils after the pupil membership count day. In a district offering classes that are scheduled for a full year in which different pupils participate in different sessions, known as "slot-funded" classes, full-time equated memberships shall be determined by dividing the number of class hours scheduled and provided per year per pupil by 900 for elementary and secondary pupils and by 480 for adult pupils, and for each 480-hour block of such a class for adult pupils, the maximum full-time equated membership per training station is 1 full-time equated membership. The number of pupils enrolled in each 480-hour block of a class that is scheduled for a full year in which different pupils participate in different sessions shall not exceed the number of training stations.

(5) "Pupil" means a person in membership in a public school. A district must have the approval of the pupil's district of residence to count the pupil in membership, except approval by the pupil's district of residence shall not be required for adult or nonpublic part-time pupils, for pupils receiving 1/2 or less of their instruction in a district other than their district of residence, or for those pupils who were enrolled and in regular daily attendance and remain enrolled and in regular daily attendance in the district other than their district of residence before April 1, 1981.

(6) "Pupil membership count day" of a district means:

(a) The fourth Friday following Labor day each school year.

(b) For a district maintaining school during the entire school year, the following days:

(i) Fourth Friday in July.

(ii) Fourth Friday in October.

(iii) Fourth Friday in January.

(iv) Fourth Friday in April.

(c) A district receiving funds from the job training partnership act, Public Law 97-300, 96 Stat. 1322, or a district operating a training program approved by the department may amend the number of pupils counted on the pupil membership count day to include pupils participating in the job training partnership act program or a training program approved by the department. The pupil membership count day for these pupils shall be the third Friday after the first Monday after the start of instruction for the program. Aid received under section 21(1) for these pupils shall be reduced 1/480 for each hour of classroom instruction the pupils are scheduled to receive under 480 hours and further reduced to ensure that the combined section 21(1) and the job training partnership act or other approved training program aid for the programs do not exceed the cost of the programs as verified by the intermediate school district of the district operating the programs.

(d) For the 1991-92 school year only, for a district whose pupils are not in regular daily attendance on the pupil membership count day or on any of the 15 regular school days before the pupil membership count day, at the option of the district, either the second or the third Friday following the first Monday after either the start or resumption of pupil instruction.

(7) "Rule" means a rule promulgated pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

(8) "The school code of 1976" means Act No. 451 of the Public Acts of 1976, as amended, being sections 380.1 to 380.1852 of the Michigan Compiled Laws.

(9) "School fiscal year" means a fiscal year which commences July 1 and continues through June 30.

(10) "State board" means the state board of education.

(11) "Tuition pupil" means a pupil of school age attending school in a district other than the pupil's district of residence. A pupil's district of residence shall not require a high school tuition pupil, as provided under section 111, to attend another school district after the pupil has been assigned to a school district.

Sec. 8. On the basis of a district's pupil retention report as defined in section 6(3), the department shall calculate an annual pupil dropout rate for each district. In addition, the department shall calculate an annual pupil dropout rate for the state in the same manner as that used to calculate the pupil dropout rate for a district. The department shall report all pupil dropout rates to the senate and house education committees and appropriations committees not later than March 31 each year.

Sec. 11. There is appropriated from the school aid fund established by section 11 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 1992, the sum necessary to fulfill the requirements of this act, and any deficiency is appropriated from the general fund by the legislature. The appropriation shall

be allocated as provided in this act. The estimated appropriations and the estimated sources of revenue provided for in this 1991 amendatory act are as follows:

GROSS APPROPRIATION	\$ 2,958,907,900.00
Appropriated from:	
Total federal	62,400,000.00
School aid fund	1,925,500,600.00
State general fund/general purpose	\$ 971,007,300.00

Sec. 12. The legislature shall allocate sufficient general operating aid under this act so that aggregate unequalized revenue among districts not receiving an allocation under section 21(1) does not exceed the following percentages of the sum of the aggregate statewide local operating revenue and general operating aid received under this act: in the 1991-92 state fiscal year, 12%; in the 1992-93 state fiscal year, 11%; in the 1993-94 state fiscal year, 10.5%; and in the 1994-95 state fiscal year and each succeeding state fiscal year, 10%. As used in this section, "unequalized revenue" means that amount of general operating revenue available to a district not receiving an allocation under section 21(1) that exceeds the amount of general operating revenue that the district would receive if it were eligible for an allocation under section 21(1). As used in this section, the "general operating revenue" of a district does not include money the district pays under section 752 or 753 of the school code of 1976, being sections 380.752 and 380.753 of the Michigan Compiled Laws, and does include revenue the district receives under section 752 or 753 of the school code of 1976.

Sec. 15. (1) If a district or intermediate district fails to receive its proper apportionment, the department, upon satisfactory proof that the district or intermediate district was entitled justly, shall apportion the deficiency in the next apportionment. If a district or intermediate district has received more than its proper apportionment, the department, upon satisfactory proof, shall deduct the excess in the next apportionment, except that a deduction due to an adjustment by the state tax commission in the equalized valuation of a district or intermediate district shall be made in the apportionment for the fiscal year following the fiscal year in which the state tax commission finalizes the valuation. Notwithstanding any other provision in this act, the state aid overpayments to a district based on adjustments in section 17(2) and (3) related to executive orders in prior years may be equitably recovered from the allocations to districts in section 146.

(2) A deduction, due to an adjustment as a result of an audit conducted by the department, except as specified in subsection (3), shall be deducted from the district's apportionments within a 3-year period beginning in the fiscal year in which the adjustment is finalized. The department may grant an additional 2 years if the district would otherwise experience a hardship.

(3) A deduction, due to an adjustment as a result of an audit conducted after September 30, 1987 by or for the department with respect to adult education programs, shall be deducted from the district's apportionments within a 1-year period beginning in the fiscal year in which the adjustment is finalized. The department may grant an additional 1 year if the district provides satisfactory evidence of a hardship.

Sec. 17. (1) Not later than October 15, November 15, December 15, January 15, February 15, March 15, April 15, May 15, June 15, and August 15, the department shall prepare a statement of the amount to be distributed, inclusive of federal social security payments, in the installment to the districts and intermediate districts and deliver the statement to the state treasurer, and the state treasurer shall pay the installments on each of those dates or on the next business day following each of those dates. Except for section 22(2), the portion of the district's or intermediate district's state fiscal year entitlement to be included in each installment shall be 10%, 10%, 10%, 9%, 10%, 9%, 10%, 9%, 10%, and 13%, respectively. Section 22(2) allocations shall be paid in full in the October payment. The state treasurer shall make payment under this section by drawing a warrant in favor of the treasurer of each district or intermediate district for the amount payable to the district or intermediate district according to the statement and delivering the warrant to the treasurer of each district or intermediate district or, if the state treasurer receives a written request by the treasurer of the district or intermediate district specifying an account, by electronic funds transfer to that account of the amount payable to the district or intermediate district according to the statement. The department may make adjustments in payments made under this section through additional payments when changes in law, errors in computation, or receipt of official tax base sharing reports from regional controllers under section 752(2)(c) or 753(3)(c) of the school code of 1976, being sections 380.752 and 380.753 of the Michigan Compiled Laws, cause the regularly scheduled payment to be less than the amount to which the district or intermediate district is entitled pursuant to this act. For the 1990-91 and 1991-92 school fiscal years only, a district or intermediate district may consider the amount distributed in the August scheduled payment of the next school fiscal year to be continuously allocated for either the immediately preceding or current school fiscal year for state accounting purposes. A district or intermediate district that chooses to allocate the August payment to the immediately preceding school fiscal year shall notify in writing the department of its decision not later than October 16, 1991 for the 1990-91 school fiscal year and September 15, 1992 for the 1991-92 school fiscal year. Any district or

intermediate district that does not so notify the department shall continue to allocate the August payment for state accounting purposes to the current school fiscal year in which the payments are received under the payment schedule of this section.

(2) Payments made pursuant to subsection (1) shall be adjusted so that districts and intermediate districts receive, in addition, in their 1982-83 school fiscal year those amounts by which their 1982-83 school fiscal year payments were reduced due to executive order 1982-13. Payments in subsequent fiscal years shall be adjusted so that districts and intermediate districts receive not later than October 31 of their school fiscal year those amounts by which the payments of that school fiscal year were reduced due to this subsection.

(3) Payments made pursuant to subsection (1) shall be adjusted so that districts and intermediate districts receive, in addition, in their 1983-84 school fiscal year 60% of those amounts by which their 1983-84 school fiscal year payments were reduced due to Executive Order 1983-5. Payments in subsequent fiscal years shall be adjusted so that districts and intermediate districts receive not later than October 31 for each school fiscal year those amounts by which the payments of that school fiscal year were reduced due to this subsection.

(4) In order to ensure that all districts and intermediate districts receive the adjustments provided for in subsections (2) and (3), the department may make any necessary adjustments in individual district and intermediate district payments.

(5) Payments to assist employer districts or employer intermediate districts in meeting their federal social security contribution obligations shall be disbursed by the state treasurer pursuant to this section.

(6) For the 1991-92 state fiscal year, if a district files a statement with the state treasurer not later than August 15, 1991 certifying that the district expects the amount of industrial facility tax levied under Act No. 198 of the Public Acts of 1974, being sections 207.551 to 207.571 of the Michigan Compiled Laws, to exceed state school aid payments under section 21(1) in the 1991-92 state fiscal year and the district's industrial facility tax payment exceeded state school aid payments under section 21(1) in the 1990-91 state fiscal year, the October school aid payment shall be increased by the amount by which the state treasurer certifies that the industrial facility tax will exceed the payments under section 21(1). However, the amount of the increase shall not exceed the amount by which the industrial facility tax exceeded section 21(1) state school aid payments in the 1990-91 state fiscal year. If the state tax commission certifies that industrial facility tax collections for a district subject to this subsection are less than the sum of the adjustments made under this subsection and the district's entitlement under section 21(1), the difference shall be deducted from the August school aid payment.

Sec. 18. (1) Except as provided in articles 3, 4, 6, 9, and 14, each district or other entity shall apply the money received by the district or entity under this act to salaries of teachers and other employees, tuition, transportation, lighting, heating, ventilation, water service, the purchase of textbooks which are designated by the board to be used in the schools under the board's charge, other supplies, and any other school operating expenditures defined in section 7. Except for a district affected by section 22(2), an amount equal to not more than 5% of the total amount received by a district under article 2 may be transferred by the board to either the building and site fund or to the debt retirement fund for debt service for debts contracted after December 8, 1932. The money shall not be applied or taken for a purpose other than as provided in this section. The department shall determine the reasonableness of expenditures and may withhold from a district the apportionment otherwise due for the fiscal year following the discovery by the department of a violation by the district.

(2) For the purpose of determining the reasonableness of expenditures and whether a violation of this act has occurred, the department shall require that each district have an audit of the district's financial and pupil accounting records at least annually at the expense of the district by a certified public accountant or by the intermediate district superintendent, as may be required by the department, or in the case of a district of the first class by a certified public accountant, the intermediate superintendent, or the auditor general of the city. The audits and management letters shall be subject to rules prescribed by the state board, in consultation with the state auditor general. A copy of the report of each audit shall be filed as required by the state board and shall be available to the public in compliance with the freedom of information act, Act No. 442 of the Public Acts of 1976, as amended, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

Sec. 19. In order to receive all of the funds for which a district qualifies under this act, a district shall provide to the state board and the public the annual education report described in section 1204a of the school code of 1976, being section 380.1204a of the Michigan Compiled Laws. A district that fails to meet the requirements of this section shall forfeit in 1991-92 5% of the funds for which the district qualifies under this act.

Sec. 21. (1) Except as otherwise provided in this act, from the amount appropriated in section 11, there is allocated to each district an amount per membership pupil sufficient to guarantee the district for 1991-92 a combined state-local yield or gross allowance of \$266.00 plus \$94.38 for each mill of operating tax levied. For

purposes of this section, only taxes levied for purposes included in the operation cost of the district as prescribed in section 7 shall be considered operating tax. The net allocation for each district shall be an amount per membership pupil computed by subtracting, from the gross allowance guaranteed the district, the product of the district's state equalized valuation behind each membership pupil and the millage utilized for computing the gross allowance.

GRADUATION AND CLASS INCENTIVES

An additional \$30.00 per pupil in gross allowance is allocated to any district that satisfies the requirements specified in subdivisions (a) and (b).

(a) The district requires pupils to have completed as a condition for graduation in 1991-92 all of the following:

(i) A total of 10 years of English or communication skills, mathematics, science, and social science, with not less than 2 years of each subject specified in this subparagraph.

(ii) One year of health, or consumer home economics essential health and living skills, or physical education, or any combination thereof.

(iii) One year of fine or performing arts, foreign language, or of vocational education or practical arts, or any combination thereof.

(iv) One semester of computer education or the equivalent, which may be demonstrated by the passage of an appropriate computer competency test, as approved by the department.

If a class taught in a district reasonably falls within more than 1 of the subject categories listed in subparagraphs (i) to (iv), the district may determine which subject category the class falls within as long as teacher certification requirements are not violated.

(b) The district provides for its pupils in grades 9 through 12 at least six classes, each consisting of at least 50 minutes of classroom instruction, or a total of not less than 300 minutes of classroom instruction. In either case, at least 30% of the pupils in grades 9 through 12 shall be enrolled in the last period, with the last period being a class of an academic nature that normally would be credited toward high school graduation. This subdivision does not apply to pupils in grade 9 who do not attend classes in the same building as pupils in grades 10 through 12.

The department may waive the requirements of subdivision (b) for a district with unusual circumstances that is making a good faith effort to comply with this subdivision and has a plan in place to meet the requirements during the following year.

In order to be eligible for the additional \$30.00 per pupil permitted under this subsection, unless it has received a waiver under subdivision (b), a district shall submit to the department, not later than October 31, 1991, a board-adopted resolution indicating compliance with the requirements specified in subdivisions (a) and (b).

A primary or fourth class school district that sends its resident high school pupils to 1 or more districts shall receive the additional \$30.00 per pupil permitted under this subsection if at least 90% of its resident high school pupils attend schools in districts that satisfy the requirements of subdivisions (a) and (b). In this case, the primary or fourth class district shall submit to the department not later than October 31, 1991, a resolution adopted by its board indicating that it complies with this requirement.

CLASS SIZE INCENTIVES

In 1991-92, an additional \$14.00 per pupil in gross allowance is allocated to any district that satisfies the requirements specified in either of the following subdivisions:

(a) The district attains an average class size in each building of not more than 25 pupils for grades K, 1, 2, and 3, taken collectively.

(b) The district reduces its average class size in each building in grades K, 1, 2, and 3, taken collectively, by at least 1% from the average class size in the immediately preceding school year.

If 1 or more buildings in a district do not meet the average class size incentive requirement of not more than 25 pupils for grades K, 1, 2, and 3, taken collectively, and the district has not received a waiver from the department for the requirements of subdivision (a) or (b), the district's allocation shall be reduced by \$14.00 multiplied by the number of K-6 pupils in each of those buildings.

For purposes of computing average class size, only the following staff shall be counted:

(i) General subject classroom teachers, such as teachers of reading, language arts, mathematics, science or social studies, and kindergarten teachers.

(ii) Special subject teachers, such as teachers of art, music, or physical education, to the extent that they provide instruction to eligible pupils.

(iii) Special needs teachers, in areas such as compensatory education, bilingual education, migrant education, or gifted and talented education, to the extent that they provide instruction to eligible pupils. The following staff shall not be counted:

- (A) Special education teachers.
- (B) Adult education teachers.
- (C) Professional or nonprofessional support staff.
- (D) Teacher aides, paraprofessionals, or volunteers.
- (E) Administrators or supervisors.

The department may waive the requirements of subdivision (a) or (b) for a district with unusual circumstances that is making a good faith effort to comply with either of these subdivisions and has a plan in place to meet the requirements for the following year. However, the department shall not grant waivers to a district in more than 2 consecutive school years.

In order to be eligible for the additional \$14.00 per pupil permitted under this subsection, unless it has received a waiver for subdivision (a) or (b), a district shall submit to the department not later than October 31, 1991, a resolution adopted by its board indicating that the district complies with the requirements of either subdivision (a) or (b). In addition, the district shall report its average class size in grades K, 1, 2, and 3 in each building that houses those grades on the pupil membership count day and on the subsequent membership reporting day specified in section 3(2).

QUALITY INCENTIVES

In 1991-92, an additional \$25.00 per pupil in gross allowance is allocated to a district that satisfies the requirements of subdivisions (a) through (e), and an additional \$10.00 per pupil in gross allowance is allocated to a district that satisfies the requirements of subdivision (f), as follows:

(a) The district makes available to the state board and the public an annual educational report and ensures that each school in the district distributes to the public an annual education report as described in section 1204a of the school code of 1976, being section 380.1204a of the Michigan Compiled Laws. To be eligible for quality incentive funds under this subsection, a district shall submit to the department not later than October 31, 1991 a board-adopted resolution indicating the board's intent to comply with section 1204a of the school code of 1976, and not later than July 31, 1991 for the 1990-91 fiscal year, and September 1 for each subsequent fiscal year, a copy of the annual educational report prepared and made available pursuant to section 1204a of the school code of 1976. In addition, the district shall make available to the public the annual educational report not later than 45 days after the due date for submission of a copy of the annual education report to the department. An applicant district that fails to comply with the requirements of this subdivision shall have an appropriate state aid adjustment in the next state fiscal year.

(b) The district adopts and implements a 3- to 5-year school improvement plan and continuing school improvement process for each school within the district as described in section 1277 of the school code of 1976, being section 380.1277 of the Michigan Compiled Laws. To be eligible for quality incentive funds under this subsection, a district shall submit to the department not later than October 31, 1990 a board-adopted resolution indicating that the district is developing a 3- to 5-year school improvement plan and continuing school improvement process in compliance with section 1277 of the school code of 1976, and not later than July 31, 1991, a copy of the 3- to 5-year school improvement plan and continuing school improvement process for each school within the district. An applicant district that fails to comply with the July 31, 1991 requirement of this subdivision shall have an appropriate state aid adjustment in the 1991-92 state fiscal year.

(c) The district makes available in 1991-92 to all pupils attending public school in the district a core curriculum as described in section 1278 of the school code of 1976, being section 380.1278 of the Michigan Compiled Laws, in at least 1 of the curricular areas specified in the recommended model core curriculum approved by the state board. In 1992-93, the district shall make available to all pupils attending public school in the district a core curriculum in at least 4 of those curricular areas. In each state fiscal year, the district also shall specify to the department the curricular area or areas that are to be made available and the specific outcomes to be achieved in each curricular area for elementary, middle, and secondary levels for all pupils.

(d) The district submits to the department not later than October 31, 1991 a board-adopted resolution indicating that by the start of the 1992-93 school year each public school within the district will be accredited or be in the process of becoming accredited as provided in section 1280 of the school code of 1976, being section 380.1280 of the Michigan Compiled Laws.

(e) The district submits to the department not later than October 31, 1991 a board-adopted resolution indicating that beginning in 1991-92 the district will annually administer a state board approved employability skills assessment as described in the school code of 1976.

(f) The district submits to the department not later than October 31, 1991 a board-adopted resolution indicating that the district will establish or expand the study of foreign language by pupils in the elementary grades or middle school grades, or both. Up to 1/2 of the funds received by a district due to meeting the requirements of this subdivision may be used for existing elementary or middle school, or both, foreign language programs in the district. To be eligible for funding under this incentive, the district shall offer the foreign language program or programs during the regular school day or immediately preceding or following the regular school day. It is the intent of the legislature to increase the amount of the incentive for meeting the requirements of this subdivision in 1992-93 to \$15.00 per pupil. The resolution required under this subdivision shall be accompanied by a plan that describes all of the following:

- (i) How the district will achieve foreign language outcomes defined in the core curriculum.
- (ii) How the pupil selection process will ensure pupils in the elementary grades or middle school grades, or both, fair access to the instructional study of foreign language.
- (iii) How the district will ensure substantial continuity or uninterrupted sequence of foreign language studies from the elementary grade levels or middle school grade levels, or both, through the high school grade levels.
- (iv) How the district will account for the incentive allocation to ensure that at least \$10.00 per pupil is used to establish or expand the study of foreign language by pupils in the elementary or middle school grades, or both.
- (v) Whether the foreign language program will be offered during the regular school day or immediately preceding or following the regular school day.

(2) A district that supported a district library in 1979-80 and continues to provide support for the district library through a millage levied pursuant to former Act No. 164 of the Public Acts of 1955, as amended, being sections 397.271 to 397.276 of the Michigan Compiled Laws, shall be credited, for all computations made under this section, with the amount of millage levied for library purposes, but not to exceed 0.7 mills, if the district levies not more than 0.7 mills less than its authorized operating millage rate.

(3) State equalization allocations to a district shall be adjusted by subtracting from the allocations money received under section 3(c)(1) of title I of chapter 1124, 64 Stat. 1100, 20 U.S.C. 238, in the same proportion as the total local revenues covered under the state equalization program are to total local revenues for education in the district, except that not more than the lesser of 50% of the money received under section 3(c)(1) of title I of chapter 1124, 64 Stat. 1100, 20 U.S.C. 238, or \$160.00 per pupil shall be subtracted. The proportion shall be based on prior year revenue and prior year impact aid. A deduction in any year shall not exceed the amount of deductible impact aid for which a district is eligible under section 3(c)(1) of title I of chapter 1124, 64 Stat. 1100, 20 U.S.C. 238. Any deductions made under this act shall be consistent with the requirements of section 5 of title I of chapter 1124, 64 Stat. 1100, 20 U.S.C. 240, and its regulations.

(4) As used in subsection (5):

(a) "In-formula district" means a district that receives membership aid under subsection (1), unless the district is eligible to file a statement under section 17(6) for the state fiscal year.

(b) "Local district AGI" means in 1991-92 the result obtained by dividing the district's latest calendar year adjusted gross income for which data is available as of June 1 before the beginning of the fiscal year, as certified by the department of treasury, by the total number of state income tax returns by residents of the district for that calendar year, as certified by the department of treasury.

(c) "Out-of-formula district" means a district with 500 or more pupils that does not receive membership aid under subsection (1) or that is eligible to file a statement under section 17(6) for the state fiscal year.

(d) "State average AGI" means the sum of the adjusted gross income of all local districts, as certified by the department of treasury, divided by the number of all state income tax returns that identify a local district, as certified by the department of treasury.

(e) "State average millage rate" means the sum of the local operating revenue of all districts divided by the sum of the state equalized valuation of all districts.

(5) Subject to subsection (8), if a district has more than 500 pupils and if the net allocation computed for a district pursuant to subsection (1) is a negative amount, there shall be a deduction against any funds otherwise tentatively allocated to the district under all other sections of this act. In 1991-92, if section 752 or 753 of the school code of 1976, being sections 380.752 and 380.753 of the Michigan Compiled Laws, is in effect not later than October 15, 1991, the total amount of the deduction under this subsection combined with a deduction under any other provision of this act that provides for a deduction applied against a district's allocation in a manner that treats out-of-formula districts differently than in-formula districts shall be not more than the deduction under this subsection for the district in the 1990-91 state fiscal year reduced by an amount equal to \$1.00 for every \$2.00 that the district has paid in tax base sharing payments under section 752 or 753 of the school code of 1976 in the school fiscal year ending in the 1991-92 state fiscal year. In 1992-93, if section 752 or 753 of the school code of 1976 is in effect in that state fiscal year, the total amount of the deduction under this subsection

combined with a deduction under any other provision of this act that provides for a deduction applied against a district's allocation in a manner that treats out-of-formula districts differently than in-formula districts shall be not more than the deduction under this subsection for the district in the 1990-91 state fiscal year reduced by an amount equal to \$2.00 for every \$1.00 that the district has paid in tax base sharing payments under section 752 or 753 of the school code of 1976 in the school fiscal year ending in the 1992-93 state fiscal year. Beginning in 1993-94 and in each succeeding state fiscal year, if section 752 or 753 of the school code of 1976 is in effect in the state fiscal year, the total amount of the deduction under this subsection combined with a deduction under any other provision of this act that provides for a deduction applied against a district's allocation in a manner that treats out-of-formula districts differently than in-formula districts shall be not more than the deduction for the district in the 1990-91 state fiscal year reduced by an amount equal to the amount that the district has paid in tax base sharing payments under section 752 or 753 of the school code of 1976 in the school fiscal year ending in the state fiscal year for which the deduction is applied. However, if neither section 752 nor 753 of the school code of 1976 is in effect in a state fiscal year, the deduction made under this subsection shall be a percentage of a district's total tentative state aid allocation under all other sections of this act, which percentage is determined by the following formula:

Deduction percentage = $100 \times (1 - [(\text{gross allowance per pupil divided by local revenue per pupil}) \times (\text{local millage rate for the year in which the calculation is made divided by the state average millage rate for the immediately preceding year}) \times (\text{state average AGI divided by the local district AGI})])$.

(6) In a state fiscal year in which the percentage deduction is applied under subsection (5), the percentage obtained under subsection (5) shall not exceed 99%, and shall be applied after the following adjustments which shall be based upon per pupil or per professional staff member cost in each section 61 and section 97 program and the statewide average per pupil cost in section 52 programs:

(a) The categorical allocations for sections 52 and 61 shall be reduced a proportionate amount for nonresident pupils, and the categorical allocation for section 97 shall be reduced a proportionate amount for each professional staff member not an employee of the district.

(b) The categorical allocations for section 52 shall be increased a proportionate amount for pupils enrolled in a program operated by another district or the intermediate district, and the categorical allocation for section 97 shall be increased a proportionate amount for each professional staff member participating in a consortium of districts, or of districts and intermediate districts, where the legal fiscal agency is another district or intermediate district.

(7) Funds due under sections 27, 53, 75, 143, and 144 shall not be counted for purposes of subsection (5).

(8) The statewide deductions made under subsection (5) shall not exceed \$72,093,600.00. The department shall prorate the local district deductions as necessary.

(9) A tax levied pursuant to section 1356(4) of the school code of 1976, Act No. 451 of the Public Acts of 1976, being section 380.1356 of the Michigan Compiled Laws, for the retirement of an operating deficit shall be considered levied for operating purposes in making computations under this section.

Sec. 21a. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$1,600,000.00 for 1991-92 to applicant districts, intermediate districts, and consortia of districts to provide support services for developing and adopting long-range school improvement plans, to prepare and distribute an annual education report, to prepare for accreditation, and to adopt a core curriculum as a means of raising academic standards and improving school accountability. Each eligible district and intermediate district shall receive per classroom building an amount equal to the total allocation for this section divided by the total number of classroom buildings in all of the eligible districts and intermediate districts. An intermediate district may act as the fiscal agent for a consortium of districts.

(2) In order to be eligible for funding under this section, an applicant district or intermediate district shall submit to the department for approval a 3- to 5-year school improvement plan, an annual education report, and a proposal for developing and adopting an accreditation plan and a core curriculum. The proposal shall be developed in accordance with criteria established by the department.

(3) From the amount appropriated in section 11, there is allocated an amount not to exceed \$800,000.00 for 1991-92 to applicant intermediate districts and consortia of intermediate districts to provide support services and technical assistance for school improvement planning, core curriculum development, accreditation, development of annual education reports, and the development of state board-approved employability skills assessment programs for districts. In order to receive funds under this subsection, an intermediate district or consortia of intermediate districts, as applicable, shall submit an application in accordance with criteria established by the department.

Sec. 21b. (1) Subject to subsection (2), a district shall use funds allocated under this act to support the attendance of a district pupil at a public or private degree-granting postsecondary institution if all of the following conditions are met:

(a) The pupil has earned sufficient credits so that he or she is in grade 12 and needs 5 or fewer credits to achieve the total required for high school graduation, but he or she has not yet completed those graduation requirements.

(b) The pupil is enrolled in the district for at least the number of credits he or she needs to fulfill the graduation requirements of the district and is also enrolled in the postsecondary institution for a maximum of 1 course per term or semester of the postsecondary institution during the district's regular academic year.

(2) A district shall pay tuition and fees under this section only for a course that is not offered by the district.

(3) Upon determining by October 15, 1991 for the 1991-92 state fiscal year and by August 1 of a succeeding state fiscal year that a pupil is eligible for tuition/fee support under the criteria specified in this section, a district shall immediately provide to the dually-enrolled pupil a letter indicating his or her eligibility.

(4) A postsecondary institution enrolling a pupil described in this section shall transmit to the district a bill detailing the tuition and fees for the dual-enrollment course of the dually-enrolled pupil. A district that receives membership aid under section 21(1) shall pay the postsecondary institution an amount to be applied to the pupil's tuition and fees that represents the same proportion of the amount the district receives per pupil under section 21(1) as the ratio of the time the pupil is attending classes at the postsecondary institution compared to the total time the pupil is attending classes in the district and at the postsecondary institution. A district that does not receive aid under section 21(1) shall pay the postsecondary institution an amount to be applied to the pupil's tuition and fees that represents the same proportion of the amount the district receives per pupil under this act as the ratio of the time the pupil is attending classes at the postsecondary institution compared to the total time the pupil is attending classes in the district and at the postsecondary institution. The pupil is responsible for payment of the remainder of the tuition and fees associated with his or her dual enrollment.

(5) Upon completion of the district's high school graduation requirements, a pupil is no longer eligible for tuition/fee support under this section.

(6) If a dually-enrolled pupil does not complete the postsecondary course, the postsecondary institution shall forward to the district any funds that are refundable due to noncompletion of the course.

(7) The district shall submit to the department by July 15 of each state fiscal year a report on the dollars expended for dually-enrolled pupils and the number of dually-enrolled pupils. The department shall prepare a summary annual report based on the information received from districts under this subsection by September 30 of each state fiscal year.

Sec. 22. (1) A district formed after January 1 of a state fiscal year by the consolidation or annexation of 2 or more districts or the attachment of a total district to another district is entitled to receive in the next succeeding state fiscal year the same total allocation under section 21(1) that the individual districts that make up the new district would have been entitled to receive as separate districts.

(2) From the money appropriated in section 11, there is allocated an amount not to exceed \$100,000.00 for 1991-92 for districts formed by the consolidation or annexation of 2 or more districts or the attachment of a total district to another district after November 1, 1982. In order to be eligible to receive reorganization payments, districts shall have been formed by the consolidation or annexation of 2 or more districts or the attachment of a total district to another district not later than the second Monday in June immediately preceding the fiscal year in which the payments are to be received. Payments to eligible reorganized districts shall be, in the first year of the reorganization, the sum of \$850.00 per pupil for each transferred pupil in membership on the pupil membership count day or tuition pupil as provided for in section 111 in the school fiscal year immediately preceding the reorganization in the district contributing the least number of pupils to the reorganized district, \$600.00 per each such pupil in the second year of the reorganization, and \$350.00 per each such pupil in the third year of the reorganization. As an alternative an eligible reorganized district resulting from the merger of 3 or more total districts may elect a payment that shall be \$850.00 per pupil in the first year of the reorganization for each transferred pupil in membership on the pupil membership count date or tuition pupil as provided for in section 111 in the school fiscal year immediately preceding the reorganization in the districts other than the district contributing the largest number of pupils to the reorganized district, \$600.00 per each such pupil in the second year of the reorganization, and \$350.00 per each such pupil in the third year of the reorganization, except that payment shall not be made for more than 1,000 pupils to any 1 reorganized district under this alternative provision. Payments made to reorganized districts under this subsection shall not exceed 3 years.

Sec. 23a. (1) In order to receive funds under this act, each district that operates more than 1 school offering instruction at the same grade level shall establish a schools of choice planning committee not later than November 15, 1991. The schools of choice planning committee shall consist of representative parents, businesspersons, teachers, and building principals and other school administrators. At least 2/3 of the members of the schools of choice planning committee shall be parents who are not employees of the district.

(2) Not later than April 1, 1992, the schools of choice planning committee in each district shall develop and submit to the district board for approval an in-district schools of choice program that complies with subsection (8).

(3) In order to receive funds under this act, each district that operates more than 1 school offering instruction at the same grade level shall implement beginning in the 1992-93 school year an in-district schools of choice program based on its in-district schools of choice plan unless both of the following occur:

(a) At least 60 days before the district's last regularly scheduled school election or, for a fourth class or primary district, district annual meeting, before the beginning of the 1992-93 school year, the board of the district adopts a resolution exempting the district from implementing an in-district schools of choice program.

(b) At the last regularly scheduled school election or, for a fourth class or primary district, district annual meeting, before the beginning of the 1992-93 school year, a majority of the district's school electors voting at the election or meeting support the board's action by approving a ballot proposal exempting the district from implementing an in-district schools of choice program. The ballot proposal shall be substantially in the following form:

"Shall the [insert name of district] school district be exempt from having schools of choice within the school district?

Yes []

No []".

(4) If the requirements under subsection (3) for an exemption from implementing an in-district schools of choice program in the 1992-93 school year cannot be met in a district described in subsection (3) within 120 days after the effective date of this section because of the date of the district's last regularly scheduled school election or district annual meeting, that district is not required to implement an in-district schools of choice program in the 1992-93 school year. However, in order to receive funds under this act, the district shall implement beginning in the 1993-94 school year an in-district schools of choice program based on its in-district schools of choice plan unless both of the following occur:

(a) At least 60 days before the district's last regularly scheduled school election or, for a fourth class or primary district, district annual meeting, before the beginning of the 1993-94 school year, the board of the district adopts a resolution exempting the district from implementing an in-district schools of choice program.

(b) At the last regularly scheduled school election or, for a fourth class or primary district, district annual meeting, before the beginning of the 1993-94 school year, a majority of the district's school electors voting at the election or meeting support the board's action by approving a ballot proposal exempting the district from implementing an in-district schools of choice program. The ballot proposal shall be substantially in the following form:

"Shall the [insert name of district] school district be exempt from having schools of choice within the school district?

Yes []

No []".

(5) After the 1992-93 school year, in order to receive funds under this act, a district that has implemented an in-district schools of choice program under subsection (3) or (4) or rescinded an exemption under subsection (6) shall offer the schools of choice program in each school year unless a majority of the district's school electors voting at a school election or, for a fourth class or primary district, district annual meeting, approve a ballot proposal exempting the district from offering an in-district schools of choice program. The proposal may be placed on the ballot by board resolution adopted at least 60 days before the school election or district annual meeting or by a petition signed by at least 10% of the district's school electors and submitted to the board at least 60 days before the school election or district annual meeting. The ballot proposal shall be in substantially the form specified in subsection (3)(b).

(6) An exemption from offering an in-district schools of choice program approved under subsection (3), (4), or (5) may be rescinded if a majority of the district's school electors voting at a school election or, for a fourth class or primary district, district annual meeting, approve a ballot proposal rescinding the exemption from offering an in-district schools of choice program. The proposal may be placed on the ballot by board resolution adopted at least 60 days before the school election or district annual meeting or by a petition signed by at least 10% of the district's school electors and submitted to the board at least 60 days before the school election or district annual meeting. The ballot proposal shall be substantially in the following form:

"Shall the previously approved exemption from having schools of choice within the [insert name of district] school district be rescinded?

Yes []

No []".

(7) The question of exempting a district under subsection (5) from offering a schools of choice program or of rescinding an exemption under subsection (6) shall not be voted upon by the school electors of the district more than once in a 2-year period.

(8) An in-district schools of choice program shall include at least all of the following:

(a) A plan to ensure that the parent, legal guardian, or person in loco parentis of each school-aged child residing within the district is provided with both of the following:

(i) Adequate information about the schools of choice program to allow the parent, legal guardian, or person in loco parentis to make informed decisions about which school his or her child will attend.

(ii) Access to counseling about the schools of choice program.

(b) A plan to ensure that transportation to the school of choice within the district is provided to a pupil.

(c) A plan to ensure that each pupil has an equal opportunity for enrollment within the open enrollment availability provided in the school that his or her parent, legal guardian, or person in loco parentis chooses for him or her. The plan shall provide that, if the number of pupil applicants exceeds the number allowed by the district for a particular school, pupils will be selected to attend the school through a random selection process. However, if in 1990-91 a district operated 1 or more schools for which admission was based on testing or performance, such as a science or performing arts school, the district may continue to use such an admission process for that school or schools. The plan may give priority in placement in a school to a sibling of a pupil already enrolled in the school.

(d) A provision that if the district has joined an athletic association, the pupils and schools of the district will remain subject to the rules of that association.

(e) A plan to ensure that the district maintains all existing standards of racial and ethnic integration within the district.

(9) A district is not required to adopt a program under subsection (8) that would force pupils from neighborhood schools.

(10) To implement this section, the department shall do all of the following:

(a) Develop and provide to each district a guide to the criteria used in determining eligibility for additional transportation assistance for implementing an in-district schools of choice program.

(b) Provide technical assistance and administrative support to districts as requested.

(c) Disseminate information to districts, the public, and the legislature on the characteristics and outcomes of the various in-district schools of choice plans implemented under this section.

(d) Monitor all in-district schools of choice programs implemented under this section to ensure that they comply with the transportation requirements described in subdivision (a).

(e) Develop guidelines and recommendations for a possible transition to an intermediate district schools of choice program within the boundaries of an intermediate district.

(11) The state board may promulgate rules to implement this section.

(12) It is the intent of the legislature to provide in 1992-93 to a district that implements an in-district schools of choice program pursuant to this section a 20% increase in funding under section 71 as calculated under section 72 from the amount the district received in 1991-92 under section 71 as calculated under section 72.

Sec. 23b. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$600,000.00 for 1991-92 for grants to applicant intermediate districts for planning, technical assistance, and implementation of "technologically enhanced curricula choices" programs to be known as "tec-choices" programs. The amount of each grant shall be not less than \$50,000.00 or more than \$150,000.00.

(2) The department shall award grants for tec-choices programs based on at least the following criteria:

(a) Use of technology to offer pupils educational choices not now available to them.

(b) Use of communications networks that are available to the intermediate district during the time period covered by the grant.

(c) Use of interactive television.

(d) Provision of educational opportunities to pupils from sources outside the local district.

(e) Training of teachers and other educational staff in the effective use of tec-choices programs.

(f) Provision of new components to, or a significant expansion of the number of pupils reached by, an existing educational technology program that meets other criteria required by this subsection.

(g) Ability to serve as a demonstration program for other intermediate districts.

(h) Inclusion of districts receiving state school aid under section 21(1) in planning and implementation of tec-choices programs.

(3) The department shall do all of the following:

(a) Develop the criteria for awarding grants, and develop and implement procedures needed to implement this section.

(b) Upon request, provide technical assistance in implementing tec-choices programs funded under this section.

(c) Monitor tec-choices programs funded under this section and report not later than September 30, 1992, to the house and senate committees that have responsibility for education legislation on the status of tec-choices programs funded under this section.

Sec. 23c. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$500,000.00 for 1991-92 for grants to applicant public universities to plan for operating an instructional program for 1992-93 for pupils in grades K-6, 6-8, or 9-12 or any combination of those grades. The instructional program may be a joint venture between the university and a district. The maximum planning grant for any university shall be \$250,000.00.

(2) A public university that is in a joint venture with a district shall demonstrate that the instructional program will be developed with the direct involvement in the planning process of the teachers and building-level administrators from each district whose pupils are eligible to attend. The representatives of the teachers and the building-level representatives in the planning process shall be selected by their respective collective-bargaining agents, if they are represented by collective-bargaining agents.

(3) In order to receive funds under this section, not later than October 31, 1991, a public university shall submit an application to the department on a form and in a manner prescribed by the department. The application shall include at least all of the following:

(a) Identification of the proposed grade levels for which the university plans to operate an instructional program.

(b) Identification of the districts from which pupils would be eligible to attend the instructional program.

(c) A description of the process for the random selection of pupils for enrollment.

(d) A description of the proposed curriculum features that will be given highest priority in the instructional program.

(e) If the public university intends to operate the instructional program as a joint venture with a district, a description of how the public university plans to involve in the planning process the teachers and building-level administrators from each district whose pupils are eligible to enroll in the instructional program.

(4) Not later than November 30, 1991, the department shall review and approve applications for funding and shall respond to each university that receives a grant with a detailed summary report of the department's comments and suggestions regarding the proposed instructional program.

(5) Not later than March 31, 1992, each university that receives a grant under this section shall provide to the department of education, the department of management and budget, and the respective K-12 appropriations subcommittees of the house of representatives and senate a preliminary version of its implementation plan and proposed staffing pattern for the offering of an instructional program described in this section in 1992-93.

(6) If the operation of an instructional program under this section is not a joint venture with a district, it is the intent of the legislature that in 1992-93 the university shall receive for each pupil enrolled an amount equal to the average gross allowance in the intermediate district in which the pupil resides.

(7) An instructional program receiving funding under this section shall comply with all of the requirements of sections 1204a, 1233, 1233b, 1277, 1278, and 1280 of the school code of 1976, being sections 380.1204a, 380.1233, 380.1233b, 380.1277, 380.1278, and 380.1280 of the Michigan Compiled Laws.

(8) A public university receiving funding for an instructional program under this section is eligible for all applicable categorical and federal aid.

Sec. 25. From the amount appropriated in section 11, there is allocated an amount not to exceed \$20,000,000.00 in 1991-92 to applicant districts with nonschool operating property taxes. An applicant district's entitlement shall be determined through a process of gross allowance increase as follows:

(a) An application may be filed by the district in form and content as prescribed by the department showing the total taxes levied on property located within the district by the taxing agencies, including the district, but excluding taxes levied for school operating purposes.

(b) Using the total property taxes for the immediately preceding year as last reported by the state tax commission for the entire state, but excluding the taxes levied for school operating purposes, the department shall determine the tax rate for the entire state. The applicant district's tax rate shall be determined by dividing the figure obtained in subdivision (a) by the district's prior year state equalized valuation.

(c) If the resulting tax rate for the applicant district is 125% or more of the resulting tax rate for the districts of the state, the gross allowance of the applicant district computed pursuant to section 21(1) shall be increased by the percentage by which the resulting tax rate in the applicant district exceeds 125% of the resulting tax rates in all districts of the state.

(d) Each applicant district's entitlement under this subsection shall be the difference between the allocation received by the district under section 21(1) and the allocation the district would have received under section 21(1) as recomputed using the gross allowance as increased in subdivision (c).

(e) A district receiving funds under section 27 shall not receive funds under this section.

Sec. 27. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$20,000,000.00 for 1991-92 to districts that meet all of the following criteria:

(a) The district levied not less than 20 mills and levied not less than the district's authorized millage rate for school operating purposes after any reduction required by section 31 of article IX of the state constitution of 1963 in 1989-90, 1990-91, and 1991-92.

(b) The district's authorized operating millage rate before a reduction required by section 31 of article IX of the state constitution of 1963 is not less than the immediately preceding year's authorized rate before a reduction required by section 31 of article IX of the state constitution of 1963. However, upon application to and approval by the department, those mills authorized and levied in the immediately preceding year for specific limited term purposes as determined by the department shall not be considered when determining eligibility under this subdivision.

(c) The district may receive an allocation under section 25 or section 27, whichever is greater. However, a district shall not receive funds from both sections 25 and 27.

(d) The district has an average adjusted gross income per membership pupil less than 75% of the state average adjusted gross income per membership pupil. The adjusted gross income per membership pupil shall be calculated by dividing the district's latest calendar year adjusted gross income for which data is available as of June 1 before the beginning of the fiscal year, as certified by the department of treasury, by the district's membership for the immediately preceding year.

(2) Each district is entitled under this section to \$1.00 per pupil for each \$1.00 that the district's average adjusted gross income per pupil is below 75% of the state average adjusted gross income per pupil. However, the allocation per pupil provided under this section, when combined with the sum of the per pupil allocation under section 21(1) calculated using the millage utilized for computing the gross allowance in 1990-91 and the product of the district's state equalized valuation behind each membership pupil utilized for computing the gross allowance in 1991-92 and the millage utilized for computing the gross allowance in 1990-91, shall not exceed in 1991-92 either \$3,359.00 per pupil or 117% of the sum of the product of the district's state equalized valuation behind each membership pupil utilized for computing the gross allowance in 1990-91 and the district's 1990-91 levied millage for school operations and the district's 1990-91 membership aid per pupil under section 21(1), whichever is less.

(3) If a district in 1990-91 met all of the criteria necessary to receive funds under this section that were set forth in Act No. 207 of the Public Acts of 1990 and did not receive the funds due to the expiration of specific limited term mills, the district, if eligible, shall receive in 1991-92 the funds otherwise due the district in 1990-91. To be eligible to receive funds under this subsection, the district shall submit to the department not later than October 15, 1991 an application for approval by the department.

(4) As used in this section, "state average adjusted gross income per membership pupil" means the sum of the adjusted gross income of all districts, as certified by the department of treasury, divided by the total state pupil membership.

(5) A district that received funds under this section in 1990-91 but is not eligible in 1991-92 shall receive in 1991-92 50% of the funds the district received in 1990-91. This subsection does not apply if a district receives an allocation under section 25 in 1991-92 that is greater than the allocation for which the district is otherwise eligible under this subsection.

(6) A district that received funds under subsection (5) in 1990-91 and is not eligible to receive funds under this section in 1991-92 shall receive in 1991-92 50% of the amount it received in 1990-91, and shall receive in each succeeding state fiscal year 50% of the amount it received under this subsection for the immediately preceding state fiscal year. However, beginning in the state fiscal year in which the district's allocation under this subsection becomes less than \$5,000.00, the district shall not receive any funds under this subsection.

(7) A district that received funds under this section in 1990-91 and is eligible to receive funds under this section in 1991-92 shall receive not less than 50% of the amount it received under this section in 1990-91.

Sec. 29. From the amount appropriated in section 11 for 1991-92, there is allocated an amount not to exceed \$100,000.00 for the following:

In districts not receiving aid under section 21(1), the membership for foreign born pupils who live in tax-exempt housing owned by a 4-year college or university and whose native language is other than English or for whom the primary language of the home environment is other than English shall be counted in membership in the intermediate district. For each pupil, the intermediate district shall receive under this section 25% of a membership aid gross allowance computed by averaging the actual membership aid gross allowances of the intermediate district's constituent districts weighted as to membership. The resulting membership aid shall be paid, without deduction, by the intermediate district to the district.

Sec. 31. From the amount appropriated in section 11, there is allocated \$23,520,000.00 for 1991-92 to enable eligible districts to establish or to continue, in conjunction with whatever federal funds may be available under chapter 1 of the Hawkins-Stafford elementary and secondary school improvement amendments of 1988, Public Law 100-297, comprehensive compensatory education programs designed to improve the achievement in basic cognitive skills of pupils enrolled in grades K to 10 who have extraordinary need for special assistance to improve competency in those basic skills.

Sec. 32. A district shall not receive less than 80% of the amount it received for compensatory education under this article during the immediately preceding year. However, a district shall not receive funding under this subsection for more than 5 consecutive years. This subsection shall only apply until September 30, 1995.

Sec. 34. A district is eligible for an allocation under this section in 1991-92 if the district's low income eligibility count for purposes of allocating federal funds under chapter 1 of the Hawkins-Stafford elementary and secondary school improvement amendments of 1988, Public Law 100-297, exceeds 15% of the district's membership. Each district's allocation shall be determined as follows: divide the number of low income chapter 1 eligible pupils in the district by the total number of those pupils in all eligible districts and multiply that quotient by an amount equal to the amount allocated in section 31 minus the allocation to eligible districts under section 32. However, if a district's allocation under this section is determined to be less than \$3,000.00, the district shall not receive an allocation under this section.

Sec. 34a. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$5,000,000.00 for 1991-92 to eligible districts for achievement incentive grants to reward improvement in pupil academic performance.

(2) Except as provided in subsection (8), the following calculations shall be made using the reading test scores of the Michigan education assessment program:

(a) The number of test items passed by the pupils in grades 4, 7, and 10 on the basic skills indicator test shall first be equated to the number of objectives passed on the entire reading test, using the data gathered from pupils in grades 4, 7, and 10 that took the test in the school year 2 years before the year in which the calculation is made, by adding 2 items to each pupil's basic skill reading indicator score in grade 4, 2 items to each pupil's basic skill reading indicator score in grade 7, and 1 item to each pupil's basic skill reading indicator score in grade 10.

(b) The sum of the average number of objectives attained by the pupils in grades 4, 7, and 10 in the school year 4 years before the year in which the calculation is made shall be subtracted from the sum of the average number of test items passed by the pupils in grades 4, 7, and 10 on the basic skills reading indicator test in the immediately preceding school year.

(c) A reading need factor for each district shall be determined by assigning a weight to the sum of the average number of objectives attained by the pupils in grades 4, 7, and 10 in the school year 4 years before the year in which the calculation is made. If this sum is 63, a weight of 1.0 shall be assigned. For each point by which this sum exceeds 63, the weight shall be reduced by 0.33. A weight of zero shall be assigned to a sum greater than or equal to 66. For each point by which this sum is less than 63, the weight shall be increased by 0.11.

(3) Except as provided in subsection (8), the following calculations shall be made using the mathematics test scores of the Michigan education assessment program:

(a) The sum of the average number of objectives attained by the pupils in grades 4, 7, and 10 in the school year 4 years before the year in which the calculation is made shall be subtracted from the sum of the average number of objectives attained by the pupils in grades 4, 7, and 10 in the immediately preceding school year.

(b) A mathematics need factor for each district shall be determined by assigning a weight to the sum of the average number of objectives attained by the pupils in grades 4, 7, and 10 in the school year 4 years before the year in which the calculation is made. If this sum is 71, a weight of 1.0 shall be assigned. For each point by which this sum exceeds 71, the weight shall be reduced by 0.33. A weight of zero shall be assigned to a sum greater than or equal to 74. For each point by which this sum is less than 71, the weight shall be increased by 0.11.

(4) A district's tentative allocation for improvements in basic reading skills is the product of the improvement in reading skills as determined under subsection (2)(a), the reading need factor as determined under subsection (2)(b), and the total number of pupils tested in reading in grades 4, 7, and 10 in the immediately preceding school year. However, the tentative allocation under this subsection shall be zero for any district with an improvement in reading skills of less than 0.30.

(5) A district's tentative allocation for improvement in basic mathematics skills is the product of the improvement in mathematics skills as determined under subsection (3)(a), the mathematics need factor as determined under subsection (3)(b), and the total number of pupils tested in mathematics in grades 4, 7, and 10 in the immediately preceding school year. However, the tentative allocation under this subsection shall be zero for any district with an improvement in mathematics skills of less than 0.30.

(6) A district's total tentative allocation under this section is the sum of the amounts calculated under subsections (4) and (5).

(7) A district's final allocation under this section shall be equal to the product of the district's total tentative allocation as determined under subsection (6) and the quotient of \$5,000,000.00 divided by the sum of the tentative allocations of all eligible districts as determined under subsection (6). However, a district shall not receive an allocation under this section if the district's final allocation as calculated under this subsection is less than \$2,500.00.

(8) In order for a K to 8 district to receive funds under this section, calculations shall be made using only the test results of grades 4 and 7.

Sec. 35. (1) The tentative allocations as determined in section 34 shall be distributed among districts if:

(a) The district has applied for the money on a form provided by the department.

(b) The program proposed by the district is of sufficient size, scope, and quality to give reasonable promise of meeting the needs of the district's educationally deprived pupils.

(c) The district has shown evidence of having established comparability among schools within the district pursuant to standards established by the state board.

(d) The district is committed to the involvement of parents, teachers, and administrators in the planning and continuous evaluation of compensatory education programs as conducted under this article.

(e) Each pupil participating in a program funded under this article is educationally deprived and was selected from among the lowest achievers.

(f) Each program funded under this article is based on performance objectives related to educational achievement and is evaluated in a manner consistent with those performance objectives.

(g) Each program funded under this article provides supplementary services designed to meet the unique educational needs of the children who are participating.

(h) The district keeps those records and affords access to the records as is necessary to verify compliance with the requirements of this section.

(2) A district shall use the state funds for specifically identified pupils to supplement, and not supplant, the use of federal or local money.

(3) A school not meeting the achievement criteria for purposes of chapter 1 of the Hawkins-Stafford elementary and secondary school improvement amendments of 1988, Public Law 100-297, shall develop and implement a school program improvement plan in accordance with criteria approved by the state board.

(4) The department shall monitor each program funded under this article to ensure that the requirements of this section are met. A district subjected to a deduction under section 21(5) shall not be required to allocate more to a program funded under this article than an amount per eligible pupil that bears the same relation to the amount specified in section 31 as the amount actually received by the district under all sections of this act, other than sections 53 and 143, bears to the amount that would have been due the district under all sections of this act other than sections 53 and 143 before the section 21(5) deduction.

Sec. 36. From the amount appropriated in section 11, there is allocated an amount not to exceed \$27,564,700.00 for 1991-92 to enable eligible districts to develop or expand, in conjunction with whatever federal funds may be available under title I of the elementary and secondary education act of 1965, Public Law 89-750, 80 Stat. 1196, and the head start act, subchapter B of chapter 8 of subtitle A of title VI of Public Law 97-35, 42 U.S.C. 9831 to 9852, comprehensive compensatory education programs designed to improve the readiness and subsequent achievement of educationally disadvantaged children as defined by the department who will be at least 4, but less than 5 years of age, as of December 1 of the school year in which the programs are offered, who have extraordinary need of special assistance. A comprehensive compensatory education program funded under this section may include health screening for participating children and the district may use funds received under this section to fund that health screening.

Sec. 38. The number of prekindergarten children construed to be in need of special readiness assistance under section 36 shall be calculated for each district in the following manner: one half of the percentage of the district's pupils who are eligible for free lunch, as determined by the district's October count in the immediately preceding school year under the national school lunch act, chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766a, and 1769 to 1769e shall be multiplied by the average kindergarten enrollments of the district on the pupil membership count day of the 2 immediately preceding years.

Sec. 39. (1) The tentative allocation to each eligible district under section 36 shall be determined by multiplying the number of children determined in section 38 by \$2,500.00 in 1991-92 and shall be distributed among districts in decreasing order of concentration of eligible children as determined by section 38 until the money allocated in section 36 is distributed. Not later than October 1, each eligible district shall submit to the department a resolution adopted by its board certifying the number of 4-year-old children who will receive comprehensive compensatory education funded under this section. Any tentative allocation subsequently shall be adjusted based in part on the number of children certified in the board resolution. Any funds unallocated shall be redistributed to eligible districts pursuant to this section.

(2) A district that receives an allocation under section 21(1) and that has not less than 50 eligible children shall receive priority over other eligible districts other than those districts funded under subsection (3).

(3) A district that received funds under this section in 1990-91 shall receive funds in 1991-92 and 1992-93 for not less than the number of children for which the district received funds in 1990-91 and shall receive priority in funding over other eligible districts. However, the department shall discontinue funding to a district that does not continue to fulfill the program requirements set forth in section 37.

(4) A district that receives funds under this section in 1991-92 and did not receive funds in 1990-91 shall receive funds in 1992-93 and 1993-94 for not less than the number of children for which the district received funds in 1991-92 and shall receive priority in funding over other eligible districts. However, the department shall discontinue funding to a district that does not continue to fulfill the program requirements set forth in section 37.

(5) For any district with 315 or more eligible pupils, the number of eligible pupils shall be 55% of the number calculated under section 38. However, none of these districts may have less than 315 pupils for purposes of calculating the tentative allocation under section 36.

Sec. 40. The department biennially shall review alternative methods to determine the number of children construed to be in need of special readiness assistance and shall report not later than November 15 of each even-numbered year its findings and recommendations to the senate and house appropriations subcommittees responsible for district funding and the senate and house committees responsible for education legislation and the department of management and budget.

Sec. 41. From the amount appropriated in section 11, there is allocated an amount not to exceed \$4,212,000.00 for 1991-92 to applicant districts and intermediate districts offering programs of bilingual instruction for pupils of limited English-speaking ability as required in section 1153 of the school code of 1976. Reimbursement shall be on a per pupil basis and shall be based on the number of pupils of limited English-speaking ability in membership on the pupil membership count day. Funds allocated under this section shall be used solely for the bilingual instruction in speaking, reading, writing, or comprehension of pupils of limited English-speaking ability. As required by section 1155 of the school code of 1976, a child of limited English-speaking ability residing in a school district operating or participating in a bilingual instruction program pursuant to section 1153 of the school code of 1976 shall be enrolled in the bilingual instruction program for 3 years or until the child achieves a level of proficiency in English language skills sufficient to receive an equal educational opportunity in the regular school program, whichever occurs first.

Sec. 43. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$500,000.00 for 1991-92 to public universities engaged in teacher education that offer training in "reading recovery", a highly-intensive diagnostic process designed to develop good reading skills in "at-risk" early elementary pupils, and to eligible applicant districts to support the training of early elementary teachers in the methods of "reading recovery".

(2) From the funds allocated in this section, up to \$150,000.00 may be awarded to public universities engaged in teacher education to develop the capabilities of providing training in "reading recovery" for early elementary teachers in districts that receive aid under section 21(1). The department shall develop guidelines for the award of these funds to applicant public universities. Funding shall be provided in the following order of priority: (a) Public universities currently offering "reading recovery" training, to expand their program, and (b) Other public universities intending to offer "reading recovery" training. To be eligible for funding, a public university shall submit an application to the department not later than October 31, 1991. Funds not expended under this section shall be expended under subsection (3).

(3) From the funds allocated in this section, at least \$350,000.00 shall be awarded to eligible applicant districts to provide financial support for early elementary teachers to participate in and complete the "reading recovery" program training offered by public universities receiving funding under subsection (2). A district that receives aid under section 21(1) may apply not later than October 31, 1991 for a "reading recovery" training grant pursuant to guidelines and criteria for selection developed by the department. To be eligible for funding under this subsection, a district shall submit to the department a plan that includes at least all of the following:

(a) The process of selection of local early elementary teachers to participate in "reading recovery" training.

(b) An indication of the financial commitment of the district to implement the "reading recovery" program upon completion of training early elementary teachers.

(4) The department shall monitor and report not later than September 30, 1992, to the senate and house committees that have responsibility for education legislation and to the senate and house fiscal agencies on the status of this grant program.

Sec. 45. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$2,000,000.00 in 1991-92 to provide grants to or contract with certain districts and intermediate districts for the provision of a school health education curriculum. Provision of the curricula, such as the Michigan model, growing healthy, or any other comprehensive health curriculum, shall be in accordance with the goals established by the Michigan model for comprehensive school health education state steering committee. The state steering committee shall be comprised of a representative from each of the following offices and departments:

(a) The department of education.

(b) The department of mental health.

(c) The department of public health.

(d) The offices of substance abuse services in the department of public health.

(e) The department of social services.

(f) The department of state police.

(2) Upon written or oral request, a pupil not less than 18 years of age or a parent or legal guardian of a pupil less than 18 years of age, within a reasonable period of time after the request is made, shall be informed of the content of a course in the health education curriculum and may examine textbooks and other classroom materials that are provided to the pupil or materials that are presented to the pupil in the classroom. This subsection does not require a school board to permit pupil or parental examination of test questions and answers, scoring keys, or other examination instruments or data used to administer an academic examination.

Sec. 46. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$5,000,000.00 for 1991-92 to provide grants to districts and intermediate districts for school dropout prevention programs approved by the department. Each district and intermediate district that received funds under this section in 1990-91 shall receive funds under this section in 1991-92 to continue the district's program.

(2) Not later than June 30, 1992, the department shall evaluate the project-specific objectives and outcomes of the programs funded under this section and shall submit to the governor, the senate and house committees responsible for education legislation, and the senate and house fiscal agencies a report detailing recommendations to improve the effectiveness of existing dropout prevention and other programs funded under this section.

Sec. 47. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$1,425,000.00 for 1991-92 to applicant intermediate districts that provide support services for the education of gifted and talented pupils. An intermediate district is entitled to 75% of the actual salary, but not to exceed \$25,000.00 reimbursement for an individual salary, of a support services teacher approved by the department, and not to exceed \$4,000.00 reimbursement for expenditures to support program costs, excluding in-county travel and salary, as approved by the department.

(2) From the amount appropriated in section 11, there is allocated an amount not to exceed \$400,000.00 for 1991-92 to support part of the cost of summer institutes for gifted and talented students. This amount shall be contracted to applicant intermediate districts in cooperation with a local institution of higher education and shall be coordinated by the department.

(3) From the amount appropriated in section 11, there is allocated an amount not to exceed \$7,303,100.00 for 1991-92 for the development and operation of comprehensive programs for gifted and talented pupils. A district

or consortium of districts may be eligible to receive an amount not to exceed \$100.00 per K-12 pupil for up to 5% of the district's or consortium's K-12 membership with a minimum grant of \$6,000.00. Funding shall be provided in the following order: the per pupil allotment, and then the minimum grant of \$6,000.00 to individual districts. An intermediate district may act as the fiscal agent for a consortium of districts. In order to be eligible for funding under this subsection, the district or consortium of districts shall submit each year a current 3-year plan for operating a comprehensive program for gifted and talented pupils. The plan or revised plan shall be developed in accordance with criteria established by the department and shall be submitted to the department for approval. Within the criteria, the department shall encourage the development of consortia among districts of less than 5,000 memberships.

Sec. 48. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$3,150,000.00 for 1991-92 to applicant districts or intermediate districts for nonresidential alternative juvenile rehabilitation programs, which are programs for children and youth who have been found to need remedial academic or social rehabilitative services, or both. To be eligible for funding of salaries from legislative appropriations, the county board of commissioners of the county in which the program is conducted or the supervising district or intermediate district, by resolution, shall agree to fund the balance of the cost of the program. The district or intermediate district in which the program is conducted, in cooperation with the juvenile division of the probate court for the county, shall supervise the program. The district or intermediate district may apply for state money for reimbursement of \$7,500.00 for the salary of each professional program person required by this section.

(2) The department may use federal funds that may become available for the purpose of strengthening nonresidential alternative juvenile rehabilitation programs.

Sec. 51. (1) From the amount appropriated in section 11, there is allocated \$183,755,000.00 for 1991-92 to consist of an amount not to exceed \$121,355,000.00 from state sources and \$62,400,000.00 in federal funding under sections 611 to 620 of the education of the handicapped act, title VI of Public Law 91-230, 20 U.S.C. 1411 to 1420, plus any carryover federal funds from previous year appropriations, for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the school code of 1976; net tuition payments made by intermediate districts to the Michigan school for the blind and the Michigan school for the deaf; and programs for pupils handicapped by learning disabilities as defined by the department. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the school code of 1976, being sections 380.1701 to 380.1766 of the Michigan Compiled Laws.

(2) State funds shall be allocated on an added cost basis. Federal funds shall be allocated under applicable federal requirements, except that an amount not to exceed \$4,000,000.00 may be allocated by the department to districts or intermediate districts on a grant basis for programs, equipment, and services designed to benefit or improve special education on a statewide scale.

(3) From the amount allocated in section 51(1), there is allocated an amount not to exceed \$3,100,000.00 for 1991-92 to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987. As used in this subsection, "net increase in necessary costs" means the necessary additional costs incurred solely because of new or revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. Net increase in necessary costs shall be determined in a manner specified by the department.

(4) For purposes of this article:

(a) "Added costs" shall be computed by deducting, from the total approved costs of special education programs and services, a gross allowance for each full-time equated special education pupil counted in membership in the district or intermediate district whose primary educational or training program, as determined by the department, is a special education program and service as defined in section 6(7) of the school code of 1976.

(b) "Total approved costs of special education programs and services" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53 programs. They shall not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6(6) of the school code of 1976. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, shall not be included. Special education approved personnel not utilized full time in the evaluation of students or in the delivery of special education programs, ancillary, and other related services shall be

reimbursed under this section only for that portion of time actually spent providing these programs and services, with the exception of special education programs and services provided to youth placed in juvenile detention facilities as defined in R 340.1757 of the Michigan administrative code. Only salaries and other compensation paid teacher aides required in rules promulgated by the department or as otherwise approved by the department shall be included.

(c) Reimbursement for ancillary and other related services, as defined by R 340.1701 of the Michigan administrative code, shall not be provided when those services are covered and available by private group health insurance carriers or federally reimbursed program sources. Expenses, other than the incidental expense of filing, shall not be borne by the parent. In addition, the filing of claims shall not delay the education of a pupil. A school district shall be responsible for payment of a deductible amount and for an advance payment required until the time a claim is paid.

(d) A "membership aid gross allowance" shall be computed pursuant to section 21(1).

A pupil who is enrolled in a full-time special education program conducted or administered by an intermediate district or a pupil who is enrolled in the Michigan school for the blind or the Michigan school for the deaf shall not be included in the membership count of a district, but shall be counted in membership in the intermediate district of residence. A district operating a center program for pupils from several districts, pursuant to an approved intermediate district plan, may elect to have the pupils counted in membership in the intermediate district. For each pupil, the intermediate district shall receive under section 21(1) a membership aid gross allowance computed by averaging the actual membership aid gross allowances of the intermediate district's constituent districts weighted as to membership. However, membership aid shall not be paid to intermediate districts for pupils who are residents of districts not receiving a membership allocation under section 21(1) and who are enrolled in programs funded under section 52, unless they are enrolled in a center program or are eligible as court placed pupils under section 24(2).

(e) The contribution of the resident district, if a pupil's special education program is operated by another district or by an intermediate district, shall be determined as follows:

(i) If the district receives an allocation under section 21(1) and the pupil is educated in a district not receiving an allocation under section 21(1), by subtracting categorical aid and the intermediate district reimbursement for each pupil from the total cost of the education program.

(ii) If the district receives an allocation under section 21(1) and the pupil is educated in a district receiving an allocation under section 21(1), by subtracting the gross state aid membership allowance, categorical aid, and the intermediate district reimbursement for each pupil from the total cost of the education program.

(iii) If the district does not receive an allocation under section 21(1), by subtracting categorical aid and the intermediate district reimbursement for each pupil from the total cost of the education program.

(5) Special education personnel transferred from 1 district to another to implement the school code of 1976 shall be entitled to the rights, benefits, and tenure to which the person would otherwise be entitled had that person been employed by the receiving district originally.

(6) If a district or intermediate district uses money received under this section for a purpose other than the purpose or purposes for which the money is allocated, the department may require the district or intermediate district to refund the amount of money received. Money which is refunded shall be deposited in the state treasury to the credit of the school aid fund.

Sec. 53. (1) Reimbursement shall be 100% of the added costs of operating special education programs and services approved by the department and included in the intermediate district plan adopted pursuant to article 3 of the school code of 1976, being sections 380.1701 to 380.1766 of the Michigan Compiled Laws, for the following special education pupils:

(a) Pupils assigned to a district or intermediate district through the community placement program of the courts or a state agency, if the pupil was a resident of another intermediate district at the time the pupil came under the jurisdiction of the court or a state agency.

(b) Pupils who are residents of institutions operated by the department of mental health.

(c) Pupils who are former residents of department of mental health institutions for the developmentally disabled who are placed in community settings other than the pupil's home.

(d) Pupils placed in a district by a parent for the purpose of seeking a suitable home, and the parent does not reside in the same intermediate district as the pupil's placement.

(e) Pupils who are residents of nursing homes whose educational programs are approved by the department.

(f) Pupils who are residents of special placement homes approved by the department.

(g) Pupils who are dependents of foreign diplomats who reside in this state and who are placed in a center program.

Only those costs that are clearly and directly attributable to educational programs for pupils described in this subsection, and that would not have been incurred if the pupils were not being educated in a district or intermediate district, are reimbursable under this section.

(2) The costs of transportation shall be funded under this section but shall not be reimbursed under article 7.

(3) Not more than \$24,000,000.00 for 1991-92 of the allocation in section 51(1) shall be allocated under this section.

Sec. 53a. Not later than December 1, 1991, the department shall submit a report with recommendations to the governor, the department of management and budget, the house and senate committees having jurisdiction over education legislation, and the house and senate fiscal agencies regarding the feasibility of using the competitive contract bidding process to provide more efficient and effective education services and service options for emotionally impaired pupils currently served in facilities of the department of mental health. The report shall include an analysis of current payment arrangements among the state, districts, intermediate districts, and private parties.

Sec. 54. In addition to the aid received under section 52, each intermediate district shall receive an amount per pupil for each pupil in attendance at the Michigan school for the blind or the Michigan school for the deaf. The amount shall be proportionate to the total instructional cost at each school. Not more than \$1,688,000.00 for 1991-92 of the allocation in section 51(1) shall be allocated under this section.

Sec. 56. (1) For the purposes of this section:

(a) "Membership" means the total membership of the intermediate school and the districts constituent to the intermediate district.

(b) "Millage levied" means the millage levied for special education pursuant to part 30 of the school code of 1976, including a levy for debt service obligations.

(c) "State equalized valuation" means the total state equalized valuation of the districts constituent to an intermediate district, except that if a district has elected not to come under part 30 of the school code of 1976, membership and state equalized valuation of the district shall not be included in the membership and state equalized valuation of the intermediate district.

(2) From the amount appropriated in section 11, there is allocated an amount not to exceed \$30,500,000.00 for 1991-92 to reimburse intermediate districts levying millages for special education pursuant to part 30 of the school code of 1976. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by these millages and governed by the intermediate district plan adopted pursuant to article 3 of the school code of 1976. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts shall submit for departmental approval and implement a distribution plan that utilizes at least a membership aid gross allowance, as defined in section 51(4)(d), as a required local contribution.

(3) Reimbursement for those millages levied in 1990-91 shall be made in 1991-92 at an amount per 1990-91 membership pupil computed by subtracting from \$75,200.00 the 1990-91 state equalized valuation behind each membership pupil, and multiplying the resulting difference by the 1990-91 millage levied.

Sec. 61. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$28,560,000.00 for 1991-92 to reimburse districts and secondary area vocational-technical centers for secondary-level vocational-technical education programs, including parenthood education programs, on an added cost basis. The definition of what constitutes those programs and reimbursement shall be pursuant to rules promulgated by the state board. Applications for participation in the programs shall be filed in the form prescribed by the department. The department shall determine the added cost for each vocational-technical program area. The allocation of added cost funds shall be based on the type of vocational-technical programs provided, the number of pupils enrolled, and the length of the training period provided, and shall not exceed 75% of the added cost of any program. The board of a district maintaining a secondary vocational-technical education program, with the approval of the department, may offer the program for the period from the close of the school year until September 1. The program shall use existing facilities and shall be operated as prescribed by rules promulgated by the state board.

(2) Districts and intermediate districts shall be reimbursed for local vocational administration, shared time vocational administration, and career education planning district vocational-technical administration. The definition of what constitutes administration and reimbursement shall be pursuant to guidelines adopted by the state board. Not more than \$800,000.00 of the allocation in subsection (1) shall be distributed under this subsection.

(3) Districts that were designated as area vocational-technical centers by the state board before January 1, 1971 may count in membership, with permission of the district of residence, pupils enrolled in vocational-technical education programs in any of the districts in the designated service area if all of the following conditions are met:

(a) The district has been designated the fiscal agent for all area vocational-technical education programs in each of the participating districts in the designated service area.

(b) The designated service area has held at least 1 election to establish an area vocational-technical education program pursuant to section 681 of the school code of 1976, being section 380.681 of the Michigan Compiled Laws.

(c) The designated service area presently is not supported by area vocational-technical education millage passed pursuant to the provisions of section 681 of the school code of 1976.

(d) The fiscal conditions described in this subsection are included as a part of the career education planning district's annual vocational plan approved by the department.

(4) A district subjected to a deduction under section 21(5) is not required to allocate more money to a program funded under this article than the amount actually received by the district after reducing its state aid allocation by the percentage reduction determined under section 21(5).

Sec. 62. (1) For the purposes of this section:

(a) "Membership" means the total membership of the intermediate district and the districts constituent to the intermediate district or the total membership of the area vocational-technical education program.

(b) "Millage levied" means the millage levied for area vocational-technical education pursuant to sections 681 to 690 of the school code of 1976, including a levy for debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting building and site fund requirements of area vocational-technical education.

(c) "State equalized valuation" means the total state equalized valuation of the districts constituent to an intermediate district or area vocational-technical education program, except that if a district has elected not to come under sections 681 to 690 of the school code of 1976, the membership and state equalized valuation of the district shall not be included in the membership and state equalized valuation of the intermediate district.

(2) From the amount appropriated in section 11, there is allocated an amount not to exceed \$7,500,000.00 for 1991-92 to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the school code of 1976, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the school code of 1976. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

(3) Reimbursement for the millages levied in 1990-91 shall be made in 1991-92 at an amount per 1990-91 membership pupil computed by subtracting from \$75,200.00 the 1990-91 state equalized valuation behind each membership pupil, and multiplying the resulting difference by the 1990-91 millage levied.

Sec. 63. From the amount appropriated in section 11, there is allocated an amount not to exceed \$1,456,000.00 for 1991-92 to reimburse districts, intermediate districts, and secondary area vocational-technical centers for programs that prepare and train youth and adults in occupations that are impacted by new and emerging technology. These funds shall be used to pay for instructional equipment. Applications for participation in the programs shall be filed in the form and manner prescribed by the department. Upon approval by the department, an applicant district or intermediate district shall receive a grant for instructional equipment on a cost-sharing basis.

Sec. 64. (1) A district may provide adult education or vocational education training, or both, in partnership with a business entity. Such a district may receive adult education or vocational education funds, or both, under this act only if there is a contract between the district and the business entity that includes at least all of the following terms and conditions:

(a) The basic competency skills curriculum will be established by the district in consultation with the business partner.

(b) The district will provide the basic competency skills training and the business partner will provide the specified job-skills training.

(c) The identification of specific training objectives based on an objective level of attained skills proficiency that is required of each partner providing the specified job-skills training, and agreement by the partners on the skills levels that will satisfy the training objectives.

(d) The business partner will guarantee a predetermined number of specified jobs and bona fide offers of job placement that are directly related to the pupil's area of training for partnership pupils. The jobs shall be for a

minimum period of 180 days. The business partner will not be obligated to provide a job or an offer for a pupil who completes a job-skills training program but is unable to attain the specific training objectives described in subdivision (c) or for a pupil who declines a bona fide offer of job placement.

(e) If the business partner fails to fulfill its contractual obligations for job placement, the business partner will reimburse the state for all state funds that it received under the contract.

(2) Not later than 30 days following agreement on a partnership contract or any contract revision under this section, the district shall submit to the department a copy of the contract or contract revision.

(3) Not later than 15 days after a pupil completes a specified job-skills training program, the business partner shall make an offer to the pupil of employment or job placement starting within 30 days after the offer.

(4) Not later than 30 days following completion of a specified job-skills training program, the district shall provide to the department a report listing the job placements of those persons who completed the training program.

(5) If a pupil fails to complete a job-skills training program under this section, the business partner shall reimburse the state for that portion of state funds proportional to the time remaining in the training program for that pupil.

(6) The department shall maintain a current record of all partnership contracts and contract revisions, and shall require districts to provide additional reports as necessary for the department to administer this section. A district shall provide those reports to the department.

Sec. 71. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$102,000,000.00 for 1991-92 to fund districts and intermediate districts transporting pupils by school bus, passenger van, station wagon, or adequate vehicle of ample capacity from the vicinity of their homes to the schools the pupils attend, or from their homes or schools to area vocational centers or other facilities providing approved occupational or cooperative academic programs and back again in amounts determined by the department and for school fiscal year 1989-90 adjustments approved by the department under section 72(3). Funding for contracted transportation services or transportation services provided through the use of public transit systems shall be the same as for district-owned bus fleets. In order to receive funding under this section, as calculated under section 72, a district or intermediate district annually shall submit not later than January 15 an application to the department on a form and in a manner prescribed by the department. The application shall include at least information concerning the factors listed in section 72(1). The department shall not make a payment under this section to a district or intermediate district until the district or intermediate district has submitted the application for the state fiscal year.

(2) Districts and intermediate districts shall receive funds for transporting pupils whose primary educational or training program, as determined by the department, is a special education program as defined in section 6(7) of the school code of 1976, being section 380.6 of the Michigan Compiled Laws, from their homes or schools to approved special education programs, including summer programs, for which the district or intermediate district receives added-cost reimbursement under section 52, and back again.

(3) Upon investigation, the department shall review, confirm, set aside, or amend the action, order, or decision of the board of a district with reference to the routes over which the pupils shall be transported, the distance the pupils shall be required to walk, and the suitability and number of vehicles and equipment for the transportation of the pupils.

(4) An allotment for transportation shall not be allowed a district which operates a bus route disapproved by the department.

(5) Districts having pupils living in remote or isolated areas from which transportation to and from regularly scheduled classes is either impossible or prohibitively expensive for seasonal periods of less than half of the regularly scheduled school year may establish, with department approval, alternative tutoring programs and be reimbursed under this section for 75% of the approved costs of the programs.

Sec. 72. (1) Transportation aid for the 1991-92 school year is based upon an allowance for each pupil transported and calculated for each district and intermediate district by the department on the basis of all of the following factors:

(a) An overhead allowance of \$10.00 per pupil based upon the following:

(i) Transportation staff per 100 pupils transported.

(ii) Bus fleet capacity per pupil transported.

(b) A regional allowance of between \$15.00 and \$37.00 per pupil, depending on the region, based upon the following:

(i) Transportation staff salary.

(ii) Regional cost variation.

(c) An amortization cost per pupil of 100% of cost, with a minimum of \$20.00 per pupil, for pupil transportation vehicles.

(d) An insurance cost per pupil of 100% of cost for pupil transportation vehicles.

(e) Authorized miles traveled per pupil of \$1.00 per mile, with an adjustment for districts with low mileage per pupil such that the \$1.00 may be increased on a sliding scale up to \$1.20 per mile.

The allocation is based upon current year data reported by the districts and intermediate districts. Special education transportation aid is calculated separately and uses the vehicle as the funding unit. The total transportation allowance for a district is calculated by multiplying the sum of (a), (b), (c), (d), and (e) by the number of pupils actually transported. The rate of aid for contracted transportation services or transportation services provided through the use of public transit systems is comparable for district-owned bus fleets.

(2) Districts and intermediate districts may apply to the department for exceptions to the district's formula transportation allowance regarding the costs of transporting pupils when exceptional conditions or circumstances impose unavoidably unusual expenses for transporting district students to their regularly scheduled classes. The department shall report not later than March 15 of each year to the house and senate appropriations and education committees all exceptions granted under this subsection for the current year.

(3) For 1991-92 only, a district or intermediate district may receive payment for adjustments exceeding \$25,000.00 due to incorrect reporting of transportation data in the 1989-90 school fiscal year. To be eligible to receive funds under this subsection, the district or intermediate district shall submit an application for approval to the department not later than January 1, 1992. Allocations made under this subsection shall be made before any other allocations under this section.

(4) In 1992-93, it is the intent of the legislature to provide to a district that implements an in-district schools of choice program pursuant to section 23a a 20% increase in funding under section 71 as calculated under this section from the amount the district received in 1991-92 under section 71 as calculated under this section, and to provide to a district that participates in an intermediate district schools of choice program pursuant to section 91 a 20% increase in funding under section 71 as calculated under this section from the amount the district received in 1991-92 under section 71 as calculated under this section. If a district is eligible for both of the 20% funding increases described in this subsection, it is the intent of the legislature to provide to the district in 1992-93 a total increase in funding under section 71 as calculated under this section of 40% from the amount the district received in 1991-92 under section 71 as calculated under this section.

Sec. 81. (1) From the amount appropriated in section 11, there is allocated to the intermediate districts the sum necessary, but not to exceed \$22,850,000.00 for 1991-92, to provide state aid to intermediate districts. There shall be allocated to each intermediate district an amount obtained by adding 104% of the prior year's aid received under this section and 104% of the product of the prior year's state equalized valuation and the prior year's operating millage, and subtracting from that sum the product of the current year's state equalized valuation and the prior year's operating millage. However, an intermediate district shall not receive less than an amount per pupil equal to 100% of the amount of aid per pupil received under this section for the immediately preceding state fiscal year.

(2) From the amount appropriated in section 11, there is allocated to an intermediate district, formed by the consolidation or annexation of 2 or more intermediate districts or the attachment of a total intermediate district to another intermediate school district or the annexation of all of the constituent K-12 districts of a previously existing intermediate school district which has disorganized, an additional allotment of \$3,500.00 for each intermediate district included in the new intermediate district for 3 years following consolidation, annexation, or attachment.

(3) From the amount appropriated in section 11, there is allocated an amount not to exceed \$200,000.00 for 1991-92 to applicant intermediate districts that provide support services for instruction in arts education. An applicant district may apply for a \$25,000.00 grant pursuant to guidelines and criteria for selection, as developed by the department, which assure regional representation for all schools according to geographical and population consideration. Funds received under this subsection shall be designated for reimbursement of salaries of support services personnel approved by the department or of expenditures to support program costs as approved by the department.

Sec. 83. From the amount appropriated in section 11, there is allocated to intermediate districts an amount not to exceed \$3,478,100.00 for 1991-92 to operate educational media centers under section 671 of the school code of 1976 and the rules promulgated by the state board.

Sec. 85. If part 7a of the school code of 1976, being sections 380.751 to 380.756 of the Michigan Compiled Laws, is in effect not later than October 15, 1991, from the amount appropriated in section 11, there is allocated

\$50,000.00 for 1991-92 for each of the 2 intermediate districts whose chief financial officer serves as a regional controller for commercial and industrial property tax base sharing under part 7a of the school code of 1976 Michigan Compiled Laws, to fulfill the responsibilities of a regional controller associated with implementation of part 7a of the school code of 1976.

Sec. 90. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$2,000,000.00 for 1991-92 to provide funds to districts for innovative and diversified educational programs. Funds received by a district shall be used for purposes of school redesign as identified in the district's plan as described in this section and as approved by the department.

(2) From the amount allocated in subsection (1), \$2,000,000.00, but not more than \$50,000.00 per eligible classroom building, is provided to applicant districts for a pilot school-level building program to improve school performance by restructuring the educational delivery system. A grant awarded to an applicant district may be used for planning or implementing school restructuring, or both. To be eligible for funding under this subsection, a board shall submit to the department a plan developed by principals, teachers, parents, community leaders, or other representatives of participating schools within the district. The plan shall indicate how 1 or more schools within the district will be restructured by reallocating existing human and monetary resources to better serve pupils. A plan may include, but is not limited to, all of the following:

(a) A provision for school site management teams comprised of principals, teachers, parents, pupils, community leaders, and other representatives of a particular school who will develop, review, and revise, as necessary, innovative ways of redesigning and improving the educational delivery system in the school.

(b) A restructuring of methods of teaching, including, but not limited to, the use of time, the composition and size of instructional groups, and the use of telecommunications.

(c) A restructuring of the responsibilities and organization of the teaching staff.

(d) The use of alternative methods of assessing pupil achievement, including, but not limited to, competency based testing and promotion and the use of pupil projects and exhibitions.

(e) The use of new instructional methods and curricula that explore subject areas in greater depth or that encourage the development of analytical skills, objective reasoning, and critical thinking.

(3) The department shall do both of the following:

(a) Upon request of a board, provide technical assistance to schools engaged in school restructuring at both the planning and implementation stages.

(b) Monitor and report not later than September 30, 1992 to the senate and house committees that have the responsibility for education legislation on the status of schools engaged in school restructuring.

Sec. 91. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$600,000.00 for 1991-92 to provide funds to no more than 6 applicant intermediate districts to plan the implementation of pilot intermediate district schools of choice programs in a subsequent fiscal year. An intermediate district shall not apply for a grant under this section unless the boards of at least 1/2 of its constituent districts have first adopted a resolution stating that the constituent district is willing to participate in a pilot intermediate district schools of choice program.

(2) An intermediate district receiving a grant under this section shall establish a schools of choice planning committee consisting of representative parents, teachers, building principals and other school administrators, and school board members from participating constituent districts and from the intermediate district, and of representatives of in-district schools of choice planning committees established in participating constituent districts pursuant to section 23a. The intermediate district schools of choice planning committee shall work with the department and with the in-district schools of choice planning committees of its participating constituent districts to do at least all of the following:

(a) Identify and report on transportation, funding, and other issues that may affect implementation of an intermediate district schools of choice program.

(b) Develop and submit for approval to the department a plan for a pilot intermediate district schools of choice program that could be implemented among participating districts within the intermediate district in a subsequent fiscal year.

(3) An intermediate district receiving a grant under this section shall notify all participating constituent school districts of the names of any participating constituent school district that is not in compliance with sections 1204a, 1233, 1233b, 1277, 1278, and 1280 of the school code of 1976, being sections 380.1204a, 380.1233, 380.1233b, 380.1277, 380.1278, and 380.1280 of the Michigan Compiled Laws, and the participating constituent districts shall make that information available to all parents electing to participate in the schools of choice program.

(4) To be approved by the department, a plan for a pilot intermediate district schools of choice program shall include at least all of the following:

(a) That each participating constituent district will allow an open enrollment opportunity of at least 1% of its enrollment for pupils residing in other participating constituent districts, based upon a random selection of those pupils.

(b) An explanation of how the pupil assignment and transfer policies of the pilot program will maintain standards of racial and ethnic integration within the participating constituent districts.

(c) A provision that a pupil who transfers to a different school within the intermediate district under the pilot program shall be ineligible to participate in interscholastic athletics for a period of 1 school year from the date he or she transfers.

(5) It is the intent of the legislature to provide in 1992-93 to a constituent district that participates in an intermediate district schools of choice program pursuant to this section a 20% increase in funding under section 71 as calculated under section 72 from the amount the participating constituent district received in 1991-92 under section 71 as calculated under section 72.

Sec. 92. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$1,451,500.00 for 1991-92 for grants to those districts that conduct a "safe school program" approved by the department.

(2) A safe school program may include, but is not limited to, the purchase of school security equipment or entering into contracts, singularly or in combination, with cities, villages, townships, or counties for the provision of security services or for the establishment of a program to hire community members to serve as classroom monitors in school buildings. Contractual security services may include, but are not limited to, special patrols, surveillance, or liaison services to be provided by police departments or sheriffs' departments in schools or on school property, or both.

(3) The grants shall be awarded to an applicant district based on both of the following:

(a) The number of student expulsions and suspensions due to violent acts against people and property in the specific school building or buildings that would operate the program.

(b) The department of state police uniform crime report index compiled pursuant to Act No. 319 of the Public Acts of 1968, being sections 28.251 to 28.258 of the Michigan Compiled Laws.

(4) All approved schools in a district receiving funds under this section shall establish a school building advisory council to monitor the program. The council shall be composed of parents, students, security personnel, teachers, administrators, and local law enforcement officials.

(5) From the funds allocated in this section for school safety grants, \$664,200.00 shall be allocated to the Detroit city school district. Of the amount allocated to the Detroit city school district, \$221,300.00 shall be allocated for the area A community-based classroom program.

(6) From the funds allocated in this section for school safety grants, \$44,200.00 shall be allocated to the Newaygo county intermediate school district in collaboration with the county prosecuting attorney for the promotion of a comprehensive law enforcement education pilot program with local districts.

(7) From the funds allocated in this section for school safety grants, \$50,000.00 shall be allocated to Grand Rapids public schools for security coordination for a community school service center.

(8) From the funds allocated in this section for school safety grants, \$20,000.00 shall be allocated to Westwood schools for the Westwood alternative individualized vehicle to excellence program.

(9) From the funds allocated in this section for school safety grants, \$75,000.00 shall be allocated to the Saginaw public schools for promotion of school-based initiatives against violence in the schools.

(10) From the funds allocated in this section for school safety grants, \$25,000.00 shall be allocated to the Inkster city school district for a program that advances school safety.

Sec. 92a. (1) From the amount of general fund/general purpose money appropriated in section 11, there is allocated an amount not to exceed \$150,000.00 for 1991-92 for agricultural education grants to be allocated to Michigan state university - agricultural cooperative extension service for planning, development, and technical assistance in the improvement of agriculture education curricula.

(2) From the amount of general fund/general purpose money appropriated in section 11, there is allocated an amount not to exceed \$30,000.00 for 1991-92 for a grant to Michigan state university to support the authorized activities of the Michigan association of the future farmers of America for regional and state level activities that promote the development of technical agriculture and leadership skills. Distribution of the funds shall be subject to final approval by the department.

(3) From the amount appropriated in section 11, there is allocated an amount not to exceed \$50,000.00 for 1991-92 for a grant for a basic skills development program at an applicant district that in 1990-91 provided a

program that targeted at-risk Hispanic and other limited English proficient junior high school students, provided basic skills development assistance through a structured tutoring approach, assisted students in setting educational and career goals, and used a collaborative community approach and will provide a similar program in 1991-92.

(4) From the amount of general fund/general purpose money appropriated in section 11, there is allocated an amount not to exceed \$235,300.00 for 1991-92 for the M-Star telecommunications project for the acquisition of use rights and licensing for instructional television for statewide use and to increase the capability of teachers to use the instructional television programs in the educational process. Not later than January 1, 1992, the department shall report to the senate and house appropriations subcommittees responsible for this act, to the senate and house fiscal agencies, and to the department of management and budget on the activities, expenditures, and impact of the M-Star telecommunications project during 1991-92.

(5) From the amount of general fund/general purpose money appropriated in section 11, there is allocated an amount not to exceed \$200,000.00 for 1991-92 to the Saginaw regional organizational skills development network for the third and final year of a 3-year project to establish an informational exchange center for coordinated training, retraining, and educational services provided by area educational, industrial, and business organizations.

(6) From the amount of general fund/general purpose money appropriated in section 11, there is allocated an amount not to exceed \$125,000.00 for 1991-92 for literacy project grants. The department shall develop grant criteria and award the grants on a competitive basis. Priority shall be given to literacy projects that serve more than 1 district. The maximum amount of a grant under this subsection shall be \$10,000.00 for a literacy project that serves a single district or \$20,000.00 for a literacy project that serves 2 or more districts.

Sec. 93. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$945,000.00 for 1991-92 to be used for the salaries of teachers in alternative education programs for school age expectant parents and school age parents and their children, as approved by the department under section 1301 of the school code of 1976, being section 380.1301 of the Michigan Compiled Laws. Districts and intermediate districts providing approved programs shall be entitled to 75% of the actual cost of the salary, not to exceed \$8,100.00 for an individual salary, of each teacher approved by the department.

(2) From the amount appropriated in section 11, there is allocated an amount not to exceed \$315,000.00 for 1991-92 to support the operation of model school age parents' projects approved by the department.

Sec. 96. From the amount appropriated in section 11, there is allocated an amount not to exceed \$3,120,000.00 for 1991-92 to be used by districts conducting community school programs approved by the department.

Sec. 97. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$3,016,000.00 for 1991-92 to applicant districts and intermediate districts for local professional and nonprofessional staff development. Each district and intermediate district is eligible to receive \$25.00 per professional staff member. Each district or intermediate district with a professional staff equal to or greater than 500, or a consortium of districts, intermediate districts, or a combination of districts and intermediate districts with professional staff equal to or greater than 500, or a combination of districts and intermediate districts within the same county with professional staff equal to or greater than 250, or an intermediate district consortium that includes all of its constituent districts regardless of the number of staff members shall be eligible for an additional \$10.00 per professional staff member upon completion of an application, as approved by the department, to be submitted by November 1 for each state fiscal year.

(2) Applications submitted for receipt of funds under this section shall include all of the following:

(a) Identification of the district, intermediate district, or consortium needs assessment for staff development by the local policy board.

(b) Identification of the goals and objectives of a staff development program by the local policy board.

(c) Identification of the process for program development and identification of potential resources such as colleges, universities, community colleges, and intermediate districts.

(d) Identification of the process for program evaluation.

(e) Designation of a program coordinator.

(f) Designation of a policy board with a minimum of 11 members. The teacher representatives shall be appointed by the teachers' collective bargaining agent or elected by all teachers in an area where there is not a collective bargaining agent. The policy board shall consist of a majority of teachers with the balance of the

board composed of representatives of district or intermediate district boards of education, administrators, nonprofessional staff, and other support personnel.

(g) Designation of a legal fiscal agent.

(h) An explanation, if appropriate, of how funds received under this section will be expended for nonprofessional staff.

(3) Participation by staff may be voluntary.

(4) A 3-year plan shall be submitted that prioritizes utilization of staff development funds. This plan may include, but is not limited to, locally identified needs in the following areas:

(a) Equal educational opportunity, including title IX of the education amendments of 1972, Public Law 92-318, 86 Stat. 235; title VI of the civil rights act of 1964, Public Law 88-352, 78 Stat. 241; and section 504 of the rehabilitation act of 1973, 29 U.S.C. 794.

(b) Management training for administrators.

(c) Utilization of assessment results for district and building level improvement in the basic skills.

(d) Working with pupils with special needs including work in bilingual programs, mainstreaming programs, and gifted and talented pupils' programs.

(e) Upgrading of teaching skills in the teacher's major and minor subject areas as provided on his or her teaching certificate or those areas in which the teacher has not had recent classroom experience or training.

(f) Implementation of the state school health education curriculum.

(g) Utilizing computers in the educational process.

(h) Career education in-service programs.

(i) The use of fine arts and multi-modal approach to teaching in the general curricula and school improvement process.

(j) Cultural sensitivity training.

(k) Agricultural education training.

(5) Not more than 15% of the funds received under this section may be used for program coordination without department approval.

(6) The funds allocated under this section shall not be expended for facility rental, overhead charges, or stipend payments.

(7) A legal fiscal agent may be a district or an intermediate district.

(8) The department shall submit a progress report to the legislature not later than April 1 of each year on all staff activities funded under this section.

(9) Additional general fund revenue that becomes available for districts or intermediate districts for local professional and nonprofessional staff development and career education in-service programs is appropriated for that purpose. An amount equal to the additional general fund revenue that becomes available for districts or intermediate districts for local professional and nonprofessional staff development and career education in-service programs shall be deducted from the amount appropriated in section 11, as allocated pursuant to subsection (1), and shall be credited to the general fund of the state. This subsection does not apply to funds provided to a district or an intermediate district through this act.

(10) As used in this section, "nonprofessional staff" means nonprofessional staff who work with school children.

Sec. 98. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$1,872,000.00 for 1991-92 to applicant districts and intermediate districts approved by the department for the development of professional development programs in the areas of mathematics, science, computer literacy-competency, structured linguistics taught through a multisensory approach, reading, writing and composition, and other curricular areas.

(2) In order to be eligible for funding under this section, the applicant district or intermediate district shall submit a proposal for developing and operating professional development programs for teachers and administrators. The proposal shall be developed in accordance with criteria established by the department and shall be submitted to the department for approval. The criteria used by the department to approve programs shall include, but not be limited to, all of the following:

(a) Encouraging consortia among districts, community colleges, universities, and professional organizations.

(b) Developing training guidelines that show the relationship of curriculum goals within the content areas of mathematics, science, computer literacy-competency, and writing and composition to the general goals of the K to 12 program.

(c) Developing assessment strategies to identify major target audiences and training content needs in mathematics, science, computer literacy-competency, and writing and composition.

(3) Community colleges, teacher preparation institutions, and mathematics and science centers may enter into agreements with districts or intermediate districts that have been awarded grants under this section.

Sec. 99. (1) From the amount of general fund/general purpose money appropriated in section 11, there is allocated an amount not to exceed \$2,372,100.00 for 1991-92 for planning/start-up/development grants, outreach grants, or continuing support grants for mathematics and science centers. A mathematics and science center that receives a continuing support grant is not eligible to receive any other grant under this section.

(2) Within a service area designated locally and approved by the department, a mathematics and science center shall provide accelerated and innovative instruction in mathematics, science, and computer science for qualified pupils or serve as a resource and support center for teacher training, curriculum development, enrichment programs, and other activities and programs related to the overall improvement of mathematics or science education, or both.

(3) A district, an intermediate district, a state board-approved institution of higher education, or a nonprofit science or technological museum acting in conjunction with a district or intermediate district is eligible for funding from this section. In order to receive funds under subsection (7) or (8), a district, an intermediate district, a state board-approved institution of higher education, or a science or technological museum acting in conjunction with a district or intermediate district shall submit to the department an application on a form and in a manner prescribed by the department. The application shall include at least all of the following:

(a) A detailed statement of the projected impact of the mathematics and science center on mathematics and science outcomes contained in the core curriculum and how the mathematics and science center, whenever possible, can provide leadership for systemic change.

(b) A plan describing how the applicant's pupil selection process will ensure fair access to center programs for all qualified pupils and professional staff of schools formally participating in center programs. Participation shall be made available to nonpublic school pupils in the designated service area.

(c) A statement of the working relationships to be established with professional development programs.

(4) The department shall not award grants under this section to more than 25 mathematics and science centers, and shall not award a grant under this section to more than 1 mathematics and science center located in a particular intermediate district unless at least 1 of the grants in the intermediate district is to a state board-approved institution of higher education for a multi-district program that does not duplicate another program in the intermediate district.

(5) The department shall provide minimum standard guidelines that may be used by an applicant or mathematics and science center for providing fair access for qualified pupils and professional staff as prescribed in this section.

(6) Continuing support grants shall be awarded to all established mathematics and science centers. An established mathematics and science center is one that has completed the planning/start-up/development stages. In making continuing support grants under this section, the department shall award \$250,000.00 to each mathematics and science center that provides service to an area with a population of over 500,000, \$200,000.00 to each mathematics and science center that provides service to an area with a population of over 100,000 and up to 500,000, and \$150,000.00 to each mathematics and science center that provides service to an area with a population of 100,000 or less. The grants shall be paid to each mathematics and science center by October 31, 1991. The 4 mathematics and science centers that received continuing support grants in 1990-91 (Detroit public schools, Kalamazoo public schools, Mecosta-Osceola intermediate district, and Sanilac intermediate district), the Battle Creek area mathematics/science center, and the Manistee intermediate district shall each receive grants in 1991-92 and each succeeding state fiscal year as specified in this subsection.

(7) In making outreach grants, the department shall first award outreach grants to the eligible mathematics and science centers that received outreach grants in 1 or more previous fiscal years. Outreach grants shall be paid to the mathematics and science centers by December 31, 1991.

(8) The department shall make planning/start-up/development grants to areas that qualify for an eligible mathematics and science center. In making planning/start-up/development grants, the department shall first award planning/start-up/development grants to the areas that received planning/start-up/development grants in 1 or more previous fiscal years and that have not completed the planning/start-up/development stages. After a mathematics and science center has completed the planning/start-up/development stages, the mathematics and science center shall receive continuing support grants as specified in subsection (6). The maximum amount of a grant under this subsection is \$250,000.00 for a mathematics and science center that will serve an area with a population of over 500,000, \$200,000.00 for a mathematics and science center that will serve an area with a population of over 100,000 and up to 500,000, and \$150,000.00 for a mathematics and science center that will

serve an area with a population of 100,000 or less. Planning/start-up/development grants shall be paid by December 31, 1991.

(9) Each recipient of a grant under this section shall submit an annual report of activities, accomplishments, and expenditures by September 30 of the fiscal year to the department and to the House and Senate fiscal agencies.

Sec. 101. (1) To be eligible to receive state aid under this act, not later than the third Friday following the pupil membership count day, each district superintendent through the secretary of the district's board shall file with the intermediate superintendent a certified and sworn copy of the district's enrollment for the current school year. In addition, a district maintaining school during the entire year, as provided under section 1561 of the school code of 1976, being section 380.1561 of the Michigan Compiled Laws, shall file with the intermediate superintendent a certified and sworn copy of the enrollment for the current school year pursuant to rules promulgated by the state board. In case of failure to file the sworn and certified copy not later than the third Friday following the pupil membership count day or pursuant to rules promulgated by the state board, state aid due to be distributed on December 1 under this act shall be withheld from the defaulting district. A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment shall be punished in the manner prescribed by the laws of this state.

(2) Each district shall provide a minimum of 180 days of pupil instruction. Except as provided in subsections (3), (5), and (6), a district failing to hold 180 days of pupil instruction shall forfeit 1/180 of its total state aid appropriation for each day of failure. A district failing to comply with rules promulgated by the state board, which rules establish the minimum time pupil instruction is to be provided to pupils for the regular school year, shall forfeit from its total state aid allocation an amount determined by applying a ratio of the time duration the district was in noncompliance in relation to the minimum time pupil instruction is required. A district failing to meet both the minimum 180 days of pupil instruction requirement and the prescribed time of pupil instruction requirement shall be penalized only the higher of the 2 amounts calculated under the forfeiture provisions of this subsection. Not later than August 1, the board of each district shall certify to the department the number of days of pupil instruction in the previous school year. If the district did not hold at least 180 days of pupil instruction, the deduction of state aid shall be made in the following fiscal year from the first payment of state school aid. Days lost because of strikes or teachers' conferences shall not be counted as days of pupil instruction. A district not having the specified percentage of the district's membership in attendance on any day shall receive state aid in that proportion of 1/180 that the actual percent of attendance bears to the specified percentage. The specified percentage to be used for this requirement shall be 70% for 1991-92 and 75% for each subsequent state fiscal year. The state board shall promulgate rules for the implementation of this subsection.

(3) The first 2 days when pupil instruction is not provided because of conditions not within the control of school authorities, such as severe storms, fires, epidemics, or health conditions as defined by the city, county, or state health authorities, shall be counted as days of pupil instruction. Subsequent such days shall not be counted as days of pupil instruction.

(4) A district shall not be allotted or paid a sum under this act in a fiscal year if the department determines that at the end of the preceding school fiscal year the amount of funds on hand in the district available for the payment of the operation cost in the district exceeded the amount of money expended for operation cost in the district during the preceding school fiscal year.

(5) A district shall not forfeit part of its state aid appropriation if it adopts or has in existence an alternative scheduling program for pupils in kindergarten, which program is approved by the state board.

(6) For 1991-92 only, the state board may waive the 180-day requirement of subsection (2) for a district if the district has adopted an experimental school year schedule in 1 or more buildings in the district if the experimental school year schedule provides 900 or more hours of pupil instruction and is consistent with all state board policies on school improvement and restructuring. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, the district is not subject to forfeiture of part of its state aid allocation for the specific building or program covered by the waiver. A district that receives a waiver under this subsection in 1 fiscal year is not eligible for a waiver under this subsection in a subsequent fiscal year.

Sec. 101a. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$300,000.00 for 1991-92 for grants to applicant districts to plan for the operation in 1992-93 of an extended school year of at least 200 days. Up to 25% of the grants shall be awarded to districts with a redefined school year schedule that incorporates at least 200 instructional days. To be eligible for a planning grant, a district shall submit an application to the department by November 30, 1991.

(2) An application for a grant under this section shall include at least all of the following:

(a) Description of the composition of the district's planning committee and designation of the district's planning coordinator for examining an extension of the school year or a redefinition of the school year schedule.

(b) The proposed timeline under which decisions regarding extension or redefinition of the school year schedule would occur.

(c) A board-adopted resolution indicating the district's commitment to possible extension or redefinition of the school year schedule for 1992-93.

(3) The department shall review all applications and approve not more than 12 applications for funding under this section. Not later than December 31, 1991, the department shall provide each district that is awarded a grant under this section with a detailed summary report of the department's comments and suggestions.

(4) The districts selected for grants under this section shall be representative of the types of districts in the state in terms of size and geographic location. A grant award to a district shall not exceed the following amounts: \$35,000.00 for a district organized as a first class school district; \$30,000.00 for a district organized as a second class school district; and \$25,000.00 for a district organized as a third or fourth class school district.

(5) It is the intent of the legislature to allocate in 1992-93 \$250.00 per pupil to each district that received a planning grant under this section in 1991-92 and that implements an extended school year of at least 200 days in the 1992-93 school year.

Sec. 102. (1) A district receiving money under this act shall not adopt or operate under a deficit budget, and a district shall not incur an operating deficit in a fund during a school fiscal year. A district having an existing deficit or which incurs a deficit shall not be allotted or paid a further sum under this act until the district submits to the department for approval a budget for the current school fiscal year and a plan to eliminate the district's deficit not later than the end of the second school fiscal year after the deficit was incurred. Withheld state aid payments shall be released after the department approves the deficit reduction plan and ensures that the budget for the current school fiscal year is balanced.

(2) The department shall report to the legislature annually those deficits incurred by districts and the progress made in reducing deficits.

(3) The amount of the permissible deficit for each school fiscal year shall not exceed the amount of state aid reduced by an executive order during that school fiscal year.

(4) A district with an existing deficit or which incurs a deficit shall submit a monthly expenditure report to the department.

(5) If a district is not able to comply with the provisions of this section, a district shall submit to the department a plan to eliminate its deficit. Upon approval of the plan submitted, the superintendent of public instruction may continue allotment and payment of funds under this act, extend the period of time in which a district has to eliminate its deficit, and set special conditions that the district must meet during the period of the extension.

Sec. 104. (1) To be eligible to receive state aid under this act, during 1991-92 a district shall develop a plan to provide and maintain until the pupil leaves high school a student portfolio. The plan shall provide that the portfolio will be implemented in 1992-93 for each pupil beginning high school at the start of the 1992-93 school year, will be extended in 1993-94 to include each pupil beginning ninth grade at the start of the 1993-94 school year, and will be further extended beginning in 1994-95 to include each pupil who begins the eighth grade at the start of the school year. The portfolio, which may be reviewed by the pupil's parents, guardian, or person in loco parentis, shall be given to each pupil upon or before graduation or upon leaving the district, and shall include at least all of the following categories of records:

(a) A record of the pupil's annual academic and nonacademic plans that the pupil intends to follow.

(b) A record of academic achievement that includes at least academic transcripts and the results of any statewide subject matter assessment test and nationally or locally normed achievement test that the pupil has taken.

(c) A record of career preparation that includes at least records of vocational-technical training under school auspices that may help prepare the pupil for a job or career, career exploration, postsecondary education exploration, job-seeking preparation, job experience, problem solving experience, and lifelong learning preparation.

(d) A record of recognitions and accomplishments that includes at least nonacademic competencies, awards, and certificates.

(2) Each pupil is responsible for submitting records of activities outside the regular school day for inclusion in the portfolio.

Sec. 104a. (1) In order to receive state aid under this act in 1993-94, 1994-95, or 1995-96, a district shall comply with this section and shall award a state-endorsed high school diploma to a pupil scheduled to graduate in 1994, 1995, or 1996 only if the pupil achieves at least 1 of the following:

(a) A passing score on a locally-developed and state-approved basic proficiency test.

(b) If the pupil is eligible to take the general education development (G.E.D.) test, a passing score on that test.

(c) Achieves at least category 2 on the reading portion of the Michigan educational assessment program (MEAP) grade 10 test, at least 50% of the objectives on the mathematics portion of the MEAP grade 10 test, and at least 50% of the objectives on the science portion of the MEAP grade 11 test.

(2) A district that offers a pupil the opportunity to pass a basic proficiency test as 1 means to obtain a state-endorsed diploma in 1994, 1995, or 1996 may submit the district's own basic proficiency test to the department for approval to be used by the district to assess proficiency.

(3) A pupil who does not achieve at least 1 of the requirements listed in subsection (1) may be reevaluated each school year until the pupil achieves at least 1 of those requirements for a state-endorsed diploma. In addition, the board of the district in which the pupil is enrolled shall provide that there be at least 1 meeting attended by at least the pupil, and in the case of a minor, a parent, legal guardian, or person in loco parentis of the pupil, and a member of the district's staff who is proficient in the measurement and evaluation of pupils. The purpose of each meeting shall be to determine an educational program for the pupil designed to have the pupil reach proficiency in each subject or skill area in which he or she was assessed by the testing as not proficient. The board may provide special programs for the pupil or may develop a program using the educational programs regularly provided by the district. A pupil may be reevaluated at any time the district administers the grade 10 or grade 11 MEAP tests, the GED test, or the district's own state-approved basic proficiency test.

(4) For a state-endorsed diploma, a pupil must achieve at least 1 of the requirements listed in subsection (1) in addition to any other requirements established by law or by the board of a district for a high school diploma. If the board of a district determines that a pupil qualifies for a state-endorsed diploma, the board shall indicate on the pupil's high school diploma that it is a state-endorsed diploma.

(5) Upon completion of all other requirements for a high school diploma, an individual may repeat any of the tests specified in subsection (1) at any time the district regularly offers the test and upon achieving at least 1 of the requirements listed in subsection (1) shall be awarded a state-endorsed diploma.

(6) The state board may exempt special education pupils from the requirements of this section, but shall provide for special education pupils to have available an assessment and certification of their proficiency in various subjects and skills before completion of their education in their district or other publicly supported program. The individualized educational planning committee for a special education pupil shall implement this subsection and shall provide that any assessment of the pupil be in a form appropriate to the special needs of the pupil.

(7) Not later than July 31, 1993, the department shall develop and the state board shall approve assessment instruments to determine pupil proficiency in communication skills, mathematics, science, and other subject areas specified by the state board. The assessment instruments shall be based on the state board model core curriculum outcomes. Beginning with the graduating class of 1997, a pupil shall not receive a high school diploma unless the pupil achieves passing scores on the assessment instruments developed under this section.

Sec. 105. (1) Pupils to be counted in membership shall be not less than 5 years of age on December 1 and less than 20 years of age on September 1 of the school year except as follows:

(a) A special education pupil who is enrolled and receiving instruction in a special education program approved by the department and not having a high school diploma who is less than 26 years of age as of September 1 of the current school year shall be counted in membership.

(b) A pupil who is enrolled in classes as specified under section 108(1) required for that pupil to obtain a high school diploma may be counted in membership regardless of age.

(c) A pupil not having a high school diploma taking instruction in an adult basic education program which provides instruction in mathematics, reading, or English, as specified under section 108(1), may be counted in membership regardless of age.

(d) A pupil not less than 16 years of age who is enrolled in classes in a program under section 108 may be counted in membership.

(2) A pupil less than 20 years of age on September 1 of the school year and having obtained a high school diploma shall be counted in membership if enrolled in academic or vocational-technical courses that would normally be credited toward high school completion and are to prepare pupils for employment, additional occupational skills training, or postsecondary education. Beginning in 1991-92, not more than 15 membership pupils or 1% of the district's membership in the immediately preceding state fiscal year or, for 1991-92 only, 80% of the district's membership counted under this subsection in classes known as slot-funded classes under section 6(4) in the immediately preceding state fiscal year, whichever is more, shall be counted in membership

under this subsection in classes known as slot-funded classes under section 6(4) in the district, and if 2 or more districts conduct classes known as slot-funded classes under section 6(4) on a cooperative basis with each other, not more than 15 membership pupils or 1% of the sum of the membership in the constituent districts in the immediately preceding state fiscal year or, for 1991-92 only, 80% of the district's membership counted under this subsection in classes known as slot-funded classes under section 6(4) in the immediately preceding state fiscal year, whichever is more, shall be counted in membership under this subsection in those classes in the cooperative program. A pupil less than 20 years of age on September 1 of the school year, who has obtained a high school diploma, who is attending a course offered directly or indirectly by a district, and who earns postsecondary credit for that course shall not be included in the membership calculation under this subsection. A district or consortium of districts shall not receive membership credit under this subsection for pupils attending a community or junior college or 4-year institution of higher education.

(3) A pupil 26 years of age or older residing in a mental health institution or a nursing home and receiving educational services on site shall not be counted in membership unless prior approval is received from the department. A district may request prior approval for adult basic education programs and general educational development test preparation programs. The department shall grant approval for adult basic education and general educational development test preparation programs that meet the requirements of subsection (1)(c) and section 108(1), as appropriate.

Sec. 107. (1) The prorated membership of a part-time pupil, who is 18 years of age or older on September 1 of a school year and is eligible to be counted in membership under section 105, shall be computed by applying a ratio which is the relation between the number of hours of student instruction received and 480 clock hours of classroom instruction. Time required to pass to and from classes, and up to 5 hours of tutorial assistance provided to a pupil to make up for an equal number of hours of excused absence by the pupil, as documented and reported by the district, shall be counted as classroom instruction, but meal time, study halls, or recess time shall not be counted. A district that counts pupils under this subsection shall have its board approve a districtwide plan for adult education. The plan shall address goals and objectives for the adult education program. The district shall submit to the department, not later than November 1 each year for each fiscal year in which funding is received for the adult education program, a resolution adopted by its board indicating that the district complies with all of the following requirements:

(a) The district has incorporated into its plan as required under subsection (1) as guidelines the adult education standards of quality approved by the state board.

(b) The district has implemented an adult education pupil retention plan.

(c) The district has implemented an adult education plan that includes placement, follow-up, and evaluation.

(2) For purposes of determining membership under this section, a district may count towards classroom instruction not more than 20 credits as specified in subdivisions (a) through (e) in the following courses and number of credit hours:

(a) Except as provided in subdivision (e), a total of 10 credits of English or communication skills, mathematics, science, and social science, with not more than 3 credits each of mathematics, science, and social science and not more than 4 credits of English or communication skills.

(b) Except as provided in subdivision (e), 1 credit of health.

(c) Except as provided in subdivision (e), 4 credits of a foreign language, vocational-technical education as approved by the department, occupational skills training as approved by the department, or any combination thereof.

(d) Except as provided in subdivision (e), 1 credit of computer education, or the equivalent, as approved by the department.

(e) A total of 4 additional credits of any of the subjects specified in subdivisions (a) through (d), fine and performing arts or practical arts, or any combination thereof, as approved by the department. Pupils enrolled in fine and performing arts or practical arts classes shall also be enrolled and attend within the same semester at least 1 of the classes listed in subdivisions (a) through (d) in order to generate membership for the fine and performing arts or practical arts class.

(3) For purposes of subsection (2), a credit hour shall not exceed 120 clock hours of classroom instruction, and credit hours earned by a pupil during previous school years shall be counted. Prorated membership may be included for pupils enrolled and making progress in adult basic education, which is instruction in mathematics, reading, or English at or below the eighth grade level.

(4) In order to be eligible to generate membership under this section, a district shall allow those pupils who have more than the total of 20 credits specified in subsection (2) to attend those classes needed in order to complete graduation requirements. The district shall not assess a fee or generate membership for these credits.

(5) A district that counts adult education pupils in membership under section 105(2) or in a class known as a slot-funded class under section 6(4) and complies with the requirements of this section and section 108 shall receive regularly scheduled state aid payments for which the district qualifies under this act in accordance with the following:

(a) For contracted programs offered by the district through a contract with a private entity, the adult education payment schedule shall be as follows:

(i) 10% for demonstration of a completed comprehensive assessment as required by section 108(1)(c).

(ii) 40% for enrollment of eligible pupils.

(iii) 20% for attainment of a high school diploma; for passage of the general education development (G.E.D.) test; for completion of the adult basic education objectives by achieving an eighth grade level in reading, English, or mathematics; or, for pupils counted in membership in a class known as a slot-funded class under section 6(4), completion of the class and demonstrated proficiency in the vocational skills to be learned in the class.

(iv) Not more than 40% for classroom attendance.

(b) For noncontracted adult education programs not covered by subdivision (c) or for contracted programs offered by the district through a contract with a public, nonprofit entity, the adult education payment schedule shall be as follows:

(i) 10% for demonstration of a completed comprehensive assessment as required by section 108(1)(c).

(ii) 70% for enrollment of eligible pupils.

(iii) 10% for attainment of a high school diploma; for passage of the general education development (G.E.D.) test; for completion of the adult basic education objectives by achieving an eighth grade level in reading, English, or mathematics; or, for pupils counted in membership in a class known as a slot-funded class under section 6(4), completion of the class and demonstrated proficiency in the vocational skills to be learned in the class.

(iv) Not more than 20% for classroom attendance.

(c) For 1991-92 only, for noncontracted adult education programs offered by a district whose 1990-91 total membership was less than 2,500 pupils, whose 1990-91 adult education membership comprised at least 40% of 1990-1991 total membership, and whose 1990-91 regular K-12 and special education membership exceeded its 1990-91 adult membership, the adult education payment schedule shall be as follows:

(i) 10% for demonstration of a completed comprehensive assessment as required by section 108(1)(c).

(ii) 80% for enrollment of eligible pupils.

(iii) 10% for attainment of a high school diploma; for passage of the general education development (G.E.D.) test; for completion of the adult basic education objectives by achieving an eighth grade level in reading, English, or mathematics; or, for pupils counted in membership in a class known as a slot-funded class under section 6(4), completion of the class and demonstrated proficiency in the vocational skills to be learned in the class.

(iv) Not more than 10% for classroom attendance.

(6) For purposes of subsection (5), classroom attendance shall be measured by the total cumulative membership clock hours of classroom instruction. The total cumulative membership clock hours of classroom instruction shall be determined by multiplying the total membership by 480 hours. Credit for cumulative membership clock hours of classroom instruction shall be determined by dividing the total number of clock hours of classroom instruction attended by the total number of cumulative membership clock hours. The specific percentage allowable for attendance shall be based on a percentage allowance for each percent of attendance of eligible pupils as follows: (a) For programs contracted with a private entity, 0.4% for each 1% of attendance, and (b) For noncontracted programs and programs contracted with a public nonprofit entity, 0.2% for each 1% of attendance. Rounding to the nearest whole percent may be used in determining percent of attendance.

Sec. 108. (1) A district operating an adult education program and receiving an allocation under section 21(1) shall:

(a) Provide the program within the geographic boundaries of the district.

(b) Develop course descriptions for all adult basic and high school completion courses approved by the board of education which shall be available for review by the department not later than October 1 of each school year.

(c) Have on file a planned program for adult basic education or a planned program for a high school diploma, or both, for each individual enrolled in an adult basic education program or adult high school completion program, or both, comparable to planned programs maintained for a pupil in the regular program of the district.

(d) Ensure that the adult high school completion program is comparable to the requirements and standards of other high school completion programs in that district. If modifications are made in programs or courses, or both, to accommodate adult needs, specific rationale for the modifications shall be available for review.

(e) Maintain pupil records comparable to those maintained for the regular high school program of that district.

(f) Submit to the department not later than October 30 each year a report describing the district's activities in the fiscal year ending the immediately preceding September 30 that pertain to requirements set forth in subdivisions (a) through (e) and, in addition, detailing the educational and employment outcomes achieved by each pupil in a section 105(2) program or in a class known as a slot-funded class under section 6(4) in a manner and form required by the department.

(g) Expend at least 5% of the funds received for adult education membership for academic, vocational, and job counseling for adult education pupils.

(2) Two or more K to 12 districts may conduct adult education programs on a cooperative basis. Cooperating districts shall enter into an annual written agreement which shall cover all of the high school completion programs and adult basic education programs offered within the participating districts. Exceptions to this provision may be made with the approval of the department. An agreement shall include the educational, administrative, management, operational, and financial matters concerning adult education programs and services offered by all the participating districts. One district shall be designated in the agreement as the administrator of the adult education cooperative program and shall operate the program as a direct extension of the district, except that the pupils enrolled in the program may be counted on the pupil membership count day of the district in which the pupils' classes are held. The district serving as the administrator of the adult education program shall pay only reasonable fees for services, facilities, and utilities provided directly to the program by a cooperative district. These fees shall reflect only actual costs to the cooperating district. No other payments may be made to a cooperating district by the district serving as the administrator of the adult education program. The fee schedule to be paid by the administrative district of the adult education program shall be included as part of the annual written agreement between cooperating districts. The administrative district shall maintain for 5 years records of fees paid under the agreement. The funds generated by the administering district shall be used to support actual reasonable costs of the adult education programs in the cooperative program with the exception that administering districts may use revenues in addition to that needed to meet the costs of the adult education program to provide supplemental services within the consortium in the areas of early childhood education, alternative education, dropout prevention, community education, teen parent programs for youth, or other department-approved education programs.

(3) A district which does not receive an allocation under section 21(1), with the approval of the department, may enter into a cooperative arrangement with a district which receives membership aid for the purpose of obtaining educational services for adult pupils. These cooperative arrangements shall meet the same conditions as those listed in subsection (2).

(4) A district which operates an adult education program under subsection (2) and enrolls pupils from districts not receiving an allocation under section 21(1) or not levying operating millage equal to or greater than that of the district which operates the program shall receive for those pupils the lesser of the following gross allowances:

(a) The operating district's gross allowance.

(b) A gross allowance computed by averaging the actual gross allowances weighted as to membership of the constituent districts in the intermediate district of the operating district.

Sec. 109. (1) Subject to subsection (2), in order to receive funds under this act, each district shall provide appropriate instructional services, as determined by the district, to a homebound or hospitalized pupil who resides within and is enrolled in the district. The district may provide the services itself or may contract with an intermediate district, a hospital, a treatment center, or another district to provide the services. In choosing a provider for the instructional services, the district shall consider which of those potential providers is best able to deliver the appropriate instructional services. The district shall pay reasonable costs as agreed upon between the district and the provider for services provided to a pupil under this section.

(2) A district is required to provide instructional services under subsection (1) to a pupil placed in a hospital, treatment center, or other treatment facility without the district's prior knowledge only if the district is notified of the pupil's placement by the hospital, treatment center, facility, or the pupil's parent or legal guardian. Upon being notified, the district shall make arrangements to provide instructional services under subsection (1) within 3 school days after being notified.

(3) Not later than October 15, 1991, the department shall prepare and distribute to each district and intermediate district a written explanation of the operation of this section and the respective duties of all affected parties. The department shall provide a copy of the explanation to any other person upon request.

Sec. 111a. For 1991-92 only, if a primary district received a membership allowance under section 21(1) in 1990-91 and paid tuition in 1990-91 for less than 75 tuition pupils at a tuition rate calculated as if the primary district levied a lower millage rate than the educating district in 1990-91, and if the primary district receives a membership allowance under section 21(1) in 1991-92 and levies a millage rate that is the same or higher than the educating district, the department shall reimburse the primary district for any additional amount the primary district paid for tuition in 1990-91 because of being charged at the tuition rate for a district that had a lower millage rate than the educating district. As used in this section, "primary district" means a district organized as a primary school district under part 2 of the school code of 1976, being sections 380.71 to 380.87 of the Michigan Compiled Laws.

Sec. 121. (1) The valuation of a whole or fractional district shall be the total state equalized valuation of the property contained in the whole or fractional district as last determined by the state tax commission and placed on the ad valorem tax roll. For purposes of computations made under this act, except as provided in section 26, the state equalized valuation of a district or intermediate district shall include the value of property used to calculate the tax imposed on lessees or users of tax-exempt property under Act No. 189 of the Public Acts of 1953, being sections 211.181 to 211.182 of the Michigan Compiled Laws. Adjustments to this state equalized valuation shall be made for all of the following:

- (a) State tax tribunal decisions.
 - (b) Court decisions.
 - (c) Local board of review adjustments made after the state tax commission determination.
 - (d) Lands deeded to the state for jurisdictions without delinquent tax revolving funds or for jurisdictions that have required repayment to the delinquent tax revolving funds.
 - (e) The requirements of this act.
- (2) Adjustments under subsection (1) shall not be made for more than the 6 state fiscal years immediately preceding the state fiscal year in which the adjustment is made, except that an adjustment pursuant to a state tax tribunal decision or court decision shall be made for the tax years involved in the decision and any subsequent years affected by the decision.

Sec. 143. (1) From the amount appropriated in section 11, there is allocated to each eligible district for 1991-92 the following amount per pupil, except as provided in subsection (2):

- (a) Add the following:
 - (i) 105% of the previous year's membership aid per pupil received under section 21(1).
 - (ii) 105% of the previous year's membership aid per pupil received under this section.
 - (iii) 105% of the product of the previous year's state equalized valuation per pupil and the 1975-76 millage levied for purposes included in the operation cost of the district as prescribed in section 7.
 - (b) From the sum obtained in subdivision (a), subtract the following:
 - (i) The current year's membership aid per pupil received under section 21(1) or the membership aid per pupil which would be due the district if the current year's formula were applied to the 1975-76 operating millage, whichever is greater.
 - (ii) The product of the current year's state equalized valuation per pupil and the 1975-76 operating millage levied.
- (2) A district shall not receive a greater amount per pupil under subsection (1) than was received by the district in the prior year.
- (3) The purpose, use, and expenditure of aid received under this section are limited as if the funds were generated by ad valorem taxes levied for operating purposes.

Sec. 144. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$130,000.00 for 1991-92 to applicant districts not receiving a membership allocation under section 21(1), that have sustained an SEV reduction due to the listing of forest land under Act No. 94 of the Public Acts of 1925, being sections 320.301 to 320.314 of the Michigan Compiled Laws, and that levied 25.615 mills or 35.16 mills for operating purposes in 1985-86.

(2) An applicant district's entitlement shall be determined as follows:

- (a) A potential property tax payment shall be determined by multiplying the total acreage of the district under Act No. 94 of the Public Acts of 1925 by \$75.00 per acre. This product shall then be multiplied by the operating millage rate of the district.
- (b) From the amount computed under subdivision (a) shall be subtracted all payments received by the district for the commercial forest land, including specific and yield and withdrawal tax revenue.

Sec. 145. From the amount appropriated in section 11, there is allocated for 1991-92 an amount sufficient to pay the state share of desegregation costs mandated by the federal court before June 1, 1983, in *Berry v school district of the city of Benton Harbor*, United States district court for the western district of Michigan, docket no. C.A. 9.

Sec. 146. (1) Except as otherwise provided in this act, from the amount appropriated in section 11, there is allocated to each district and intermediate district an amount equal to the employer's share of the district's or intermediate district's federal social security and medicare obligations, 6.20% on calendar 1991 employee's wage base up to \$50,000.00 for social security and 1.45% on calendar 1991 employee's wage base up to \$50,000.00 for medicare, and 6.20% on calendar 1992 employee's wage base up to \$50,000.00 for social security and 1.45% on calendar 1992 employee's wage base up to \$50,000.00 for medicare.

(2) Except as otherwise provided in this act, the state shall not assume the employer's share of federal social security and medicare obligations for the federally funded employees of the district or intermediate district, nor for individuals employed pursuant to the Michigan youth corps act, Act No. 69 of the Public Acts of 1983, being sections 409.221 to 409.229 of the Michigan Compiled Laws, or the Michigan opportunity and skills training program or project self-reliance, both administered by the department of social services, or any successor of either of those 2 programs.

(3) Payments to districts or intermediate districts, for social security and medicare obligations, shall be disbursed on the payment schedule set by section 17 of this act. These payments are determined by multiplying the state's percentage contribution by the estimated base allowable payroll for each covered employee for the quarterly periods beginning in October of the school year. The state payments shall be prospective estimates, based upon data to be submitted to the department in a form and manner as required by the department. That data shall include identification of the amount of a district's or intermediate district's payroll that is attributable to employee wage base exceeding the allowable maximum wage base specified in subsection (1). Payments required to satisfy social security and medicare obligations of each district or intermediate district shall be adjusted by the department as necessary to reflect actual requirements of preceding completed payrolls and payroll periods, and shall be adjusted finally by the department for the immediately preceding state fiscal year pursuant to section 41 of the public school employees retirement act of 1979, Act No. 300 of the Public Acts of 1980, being section 38.1341 of the Michigan Compiled Laws.

(4) Each district or intermediate district shall remit directly to the appropriate federal government agency the total employer share and the total employee share of the district's or intermediate district's social security and medicare obligation. Social security or medicare contributions shall not be remitted to the social security contribution fund as otherwise required by section 42(6) of Act No. 300 of the Public Acts of 1980, being section 38.1342 of the Michigan Compiled Laws.

Sec. 149. (1) From the amount of general fund/general purpose money appropriated in section 11, there is allocated \$1,375,900.00 for 1991-92 for a grant to Michigan state university for the Michigan partnership for new education. The payments shall be made in 2 equal installments on November 15 and April 15. The grant money shall be expended for the purposes of applying and disseminating the latest research on teaching, learning, organization, and management to the state's public schools. Of the funds allocated in this section, approximately 1/2 shall be expended by the school and university alliance according to subsection (2) for research application to translate research into practice and evaluate the results. The balance of the funds shall be expended by the educational extension service according to subsection (3) for the purpose of disseminating practical, tested knowledge to schools in this state. During each state fiscal year, the Michigan partnership and its partner institutions shall raise or contribute matching funds totaling at least 1/2 of the amount allocated in this section for the partnership.

(2) In the research application area, the school and university alliance shall establish relationships with 4 to 6 new partnership schools to form university-school collaboratives for applied research and responsible innovation in K-12 teaching and learning, school organization and management, and the education of educators and shall further develop relationships with the existing partnership schools.

(3) In the dissemination area, the educational extension service shall develop research-based products in print and other media; organize collaborative dissemination and continuing professional education activities with intermediate districts, professional associations, institutions of higher education and consortia of those organizations; promote the development of technological systems for dissemination and continuing professional education, including 2-way interactive television and computer-based networks; and carry out other activities necessary to ensure that the state's schools gain access to the best current research from partnership schools and other sources.

(4) The funds allocated under this section may be expended for purposes including, but not limited to, all of the following:

(a) Released time for teachers and administrators to collaborate with university faculty.

(b) Compensation for teachers and administrators for summer activities such as course planning, materials development, professional development, and for activities beyond the normal school day or week.

(c) Compensation for university faculty for summer activities.

(d) Compensation for support staff necessary to facilitate the participation of teachers, administrators, and university faculty.

(e) Research reports, books, and other materials related to curriculum, instruction, organization, and management.

(f) Meeting expenses.

(g) In-state travel and other items essential to the goals of the school and university alliance and the educational extension service.

(5) To provide guidance for the activities of the school and university alliance and the educational extension service, each shall establish an advisory committee. These committees shall include representatives from business and industry; districts and intermediate districts, professional associations, and higher education; and the state board, the department, and other appropriate state agencies.

(6) Not later than March 1 of each year, the Michigan partnership for new education shall submit to the senate and house appropriations subcommittees responsible for the department's budget, the senate and house fiscal agencies, and the state board of education a progress report on expenditures, activities, and accomplishments of the school and university alliance and the educational extension service. The report shall include a report on matching funds raised or contributed, as well as an indication of the priority areas for work during that fiscal year. The Michigan partnership for new education shall also submit a detailed work plan for the fiscal year including at least a plan for evaluation of the impact of the school and university alliance and the educational extension service and a budget based on the appropriation for the year to the department no later than October 1 of each year. A report on 1990-91 activities and accomplishments, including evaluation results, shall accompany the plan for 1991-92, and a report on 1991-92 activities and accomplishments, including evaluation results, shall accompany the plan for 1992-93.

Sec. 149a. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$900,000.00 for 1991-92 to be distributed to school districts organized as a first-class district under part 6 of the school code of 1976, being sections 380.401 to 380.485 of the Michigan Compiled Laws, to be used to contract with the metropolitan Detroit youth foundation for a dropout prevention program. The dropout prevention program shall target high school pupils who are on the verge of long-term suspension and middle school pupils who are at risk of failure in 9th grade.

(2) From the amount appropriated in section 11, there is allocated \$65,000.00 for 1991-92 to school districts organized as a first-class district under part 6 of the school code of 1976, being sections 380.401 to 380.485 of the Michigan Compiled Laws, to be used to contract with the national association for the advancement of colored people for a back-to-school/stay-in-school program. The back-to-school/stay-in-school program shall assist pupils to return to or stay in school, complete their education, pursue higher education, or find meaningful employment.

Sec. 152. Except for reports due on other dates specified in this act, each district and intermediate district shall furnish to the department before the first Monday in November of each year those reports the department considers necessary for the determination of the allocation of funds under this act. In addition, each district shall furnish to the department November 15 of each year its state equalized valuation by each class of property. In order to receive funds under this act, each district and intermediate district shall also furnish to the department the information the department considers necessary for the administration of this act and for the provision of reports of educational progress to the senate and house committees responsible for education, the senate and house appropriations subcommittees responsible for appropriations to school districts, and the senate and house fiscal agencies, as appropriate.

Sec. 152a. (1) In order to receive funds under this act, not later than May 15 of each state fiscal year, each district shall furnish to the department, on a form and in a manner prescribed by the department, estimates of the district's K-12 membership and the district's adult education membership for the next school fiscal year.

(2) In order to receive funds under this act, not later than May 15 of each state fiscal year, each district shall furnish to the department, on a form and in a manner prescribed by the department, a report of the number of pupils counted in membership under section 105(2).

Sec. 157. In order to receive funds under this act, each district and intermediate district shall furnish to the department, on a form and in a manner prescribed by the department, the information requested by the department that is necessary for the preparation of a study of suspended or expelled pupils in grades K to 12 as required by section 307 of the 1991-92 department of education appropriations act.

Sec. 159. (1) In order to receive funds under this act, a district or intermediate district shall furnish to the department on a form and in the manner prescribed by the department the information required by this section and requested by the department under this section. Based on that information, the department shall prepare a special report to the governor and the legislature that includes membership data for each district as per section 3(2), including calculation of average annual membership according to section 3(2) procedures, and an analysis of the pattern of membership during the school year.

(2) A district or intermediate district shall report its total and component membership to the department not later than 15 days after the pupil membership count day and after the subsequent membership reporting day.

(3) The department shall prepare the special report described in subsection (1) based on the data received from districts and intermediate districts and transmit the report to the governor and the legislature not later than June 1, 1992.

Sec. 164. In 1991-92, a district or intermediate district shall forfeit an amount to which the district or intermediate district otherwise would be entitled under this act equal to the district's or intermediate district's expenditures in the immediately preceding school fiscal year for cars for board members, and for chauffeurs for board members or administrators.

Sec. 166. For 1991-92, a district in which a school official, member of a board, or other person dispenses or otherwise distributes a family planning drug or device in a public school in violation of section 1507 of the school code of 1976, being section 380.1507 of the Michigan Compiled Laws, dispenses prescriptions for any family planning drug, or makes referrals for abortions shall forfeit 5% of its total state aid appropriation.

Sec. 167. (1) If a district does not have a completed, waived, or provisional immunization record in accordance with section 9209 of the public health code, Act No. 368 of the Public Acts of 1978, being section 333.9209 of the Michigan Compiled Laws, for a pupil in grades K through 12, the district shall report the name of the pupil to the department no later than March 1, 1992.

(2) The department in cooperation with the department of public health shall develop a plan to assist local school districts and local county health departments to comply with section 9209 of Act No. 368 of the Public Acts of 1978 for the 1991-92 school year.

(3) If a district does not have a completed, waived, or provisional immunization record in accordance with section 9209 of Act No. 368 of the Public Acts of 1978 for at least 90% of the district's pupils by March 1, 1993, 50% of each school aid payment attributable to each pupil for whom the district does not have such an immunization record shall be withheld from the district until the district has such an immunization record for at least 90% of its pupils.

Section 2. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is \$2,896,507,900.00 for 1991-92 and state appropriations to be paid to local units of government are \$2,451,752,000.00.

Section 3. Sections 33, 55, and 84 of Act No. 94 of the Public Acts of 1979, being sections 388.1633, 388.1655, and 388.1684 of the Michigan Compiled Laws, are repealed.

Section 4. This amendatory act shall take effect October 1, 1991.

Section 5. This amendatory act shall not take effect unless House Bill No. 4267 of the 86th Legislature is enacted into law.

Section 6. The appropriations made and the expenditures authorized under this amendatory act are subject to the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved.....

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Governor.