

HOUSE BILL No. 5513

EXECUTIVE BUDGET BILL

February 18, 1992, Introduced by Reps. Ostling, Gilmer and Oxender and referred to the Committee on Appropriations.

A bill to make appropriations for the public schools and the intermediate school districts of the state, the department of education, the public school employees retirement system, and certain other purposes relating to education for the fiscal year ending September 30, 1993; to provide for the expenditure of those appropriations; to prescribe the powers and duties of certain state departments, school districts and intermediate school districts, and other governmental bodies and officials; to prescribe penalties; to provide for the assumed annual level percentage of payroll contribution rate and its assignment; and to provide for the disposition of fees and other income received by certain legal entities and state agencies, and to repeal certain acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 101. There is appropriated for the public schools and the
 2 intermediate school districts of the state, the department of education,
 3 the public school employees retirement system, and certain other state
 4 purposes for the fiscal year ending September 30, 1993, from the
 5 following funds:

6 TOTAL EDUCATION APPROPRIATIONS SUMMARY:

7	Full-time equated unclassified positions.....	6.0
8	Full-time equated classified positions.....	2,211.0
9	Public school operations.....	2,985,992,100
10	Public school employees retirement system.....	483,489,400
11	Department of education.....	755,478,400
12	GROSS APPROPRIATION.....	4,224,959,900
13	Interdepartmental grant revenues:	
14	Total interdepartmental grants and	
15	intradepartmental transfers.....	1,918,200
16	ADJUSTED GROSS APPROPRIATION.....	4,223,041,700
17	Federal revenues:	
18	Total federal revenues.....	769,252,700
19	Special revenue funds:	
20	Total local revenue.....	8,968,000
21	Total private revenues.....	1,840,300
22	School aid fund.....	2,356,900,000
23	Total other state restricted revenue.....	14,512,300
24	State general fund/general purpose.....	1,071,568,400
25	STATE AID TO LOCAL SCHOOL DISTRICTS, INTERMEDIATE SCHOOL DISTRICTS AND	
26	PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM	

1 APPROPRIATIONS SUMMARY:

2	Full-time equated unclassified positions.....	0.0
3	Full-time equated classified positions.....	0.0
4	GROSS APPROPRIATION.....	3,469,481,500
5	Interdepartmental grant revenues:	
6	Total interdepartmental and intra-	
7	departmental transfers.....	0
8	ADJUSTED GROSS APPROPRIATION.....	3,469,481,500
9	Federal revenues:	
10	Total federal revenues.....	79,940,300
11	Special revenue funds:	
12	Total local revenue.....	0
13	Total other state restricted revenues.....	2,356,900,000
14	State general fund/general purpose.....	1,032,641,200
15	STATE AID TO LOCAL SCHOOL DISTRICTS	
16	Local district membership formula.....	2,056,552,000
17	Low income.....	5,000,000
18	Vocational education.....	28,560,000
19	Transportation.....	102,000,000
20	Local district revenue guarantee.....	400,000
21	Commercial forest payment.....	130,000
22	Prior year and year end adjustments.....	(12,436,800)
23	QUALITY EDUCATION INITIATIVES	
24	Local district formula quality incentives.....	102,700,000
25	P.A. 25 of 1990 implementation.....	2,400,000
26	School consolidation.....	75,000
27	Schools of choice planning grants.....	600,000

1	Schools of choice transportation.....	20,000,000
2	TEC choices.....	600,000
3	University schools.....	500,000
4	MEAP school incentives.....	10,000,000
5	School health curriculum.....	2,000,000
6	School restructuring program.....	2,000,000
7	Curricula-based professional development.....	1,872,000
8	Mathematics/science centers.....	2,500,000
9	Extended school year pilot program.....	6,300,000
10	Michigan partnership for new education.....	1,801,000
11	Charter schools.....	2,000,000
12	Endorsed diploma proficiency test.....	100,000
13	Science test.....	150,000
14	SPECIAL STUDENT POPULATIONS	
15	Bilingual education.....	4,212,000
16	Dropout prevention program.....	5,000,000
17	Academically talented.....	9,128,100
18	Alternative education.....	3,150,000
19	Special education.....	183,755,000
20	School age parents.....	1,260,000
21	Non-public, non-resident education.....	50,000
22	Native american children.....	700,000
23	Desegregation court-ordered payments.....	4,236,000
24	Court-placed children.....	16,000,000
25	Compensatory education.....	23,520,000
26	EARLY CHILDHOOD READINESS	
27	Early childhood preschool education.....	27,564,700

1	Tutoring services for K-2.....	3,500,000
2	Extended day kindergarten for at-risk students.....	7,500,000
3	STATE AID TO INTERMEDIATE SCHOOL DISTRICTS	
4	ISD formula.....	43,800,000
5	ISD special education membership.....	58,760,000
6	ISD special education millage reimbursement.....	31,000,000
7	ISD vocational education millage reimbursement.....	7,500,000
8	Media centers.....	3,478,100
9	Tax base sharing administration and audits.....	150,000
10	STATE INNOVATION GRANTS	
11	Saginaw project pride.....	50,000
12	Literacy projects.....	125,000
13	Metropolitan Detroit youth foundation.....	900,000
14	ADULT EDUCATION AND TRAINING	
15	Adult education membership.....	169,000,000
16	Adult education alternative training.....	45,000,000
17	Adult education membership audits.....	850,000
18	PUBLIC SCHOOL EMPLOYEES RETIREMENT ALLOWANCE	
19	Normal cost.....	110,483,900
20	Unfunded accrued liabilities.....	116,983,000
21	PUBLIC SCHOOL EMPLOYEES RETIREMENT HEALTH INSURANCE	
22	Premium disbursement.....	229,416,600
23	PUBLIC SCHOOL EMPLOYEES RETIREMENT RECONCILIATION	
24	1988-89 tentative adjustment (20% phase 3 of 5).....	10,968,400
25	1988-89 final adjustment (20% phase 2 of 5).....	283,800
26	1989-90 final adjustment (20% phase 2 of 5).....	9,271,000
27	1990-91 tentative adjustment (20% phase 1 of 5).....	2,025,800

1	Interest payment on unpaid balances.....	4,056,900
2	GROSS APPROPRIATION.....	3,469,481,500
3	Appropriated from:	
4	Federal revenues:	
5	Retirement contribution pass-through.....	17,540,300
6	Special education.....	62,400,000
7	Total federal.....	79,940,300
8	Special revenue funds:	
9	School aid fund.....	2,356,900,000
10	State general fund/general purpose.....	1,032,641,200
11	DEPARTMENT OF EDUCATION	
12	APPROPRIATIONS SUMMARY:	
13	Full-time equated unclassified positions.....	6.0
14	Full-time equated classified positions.....	2,211.0
15	GROSS APPROPRIATIONS.....	\$ 755,478,400
16	Interdepartmental grant revenues:	
17	Total interdepartmental grants.....	1,918,200
18	ADJUSTED GROSS APPROPRIATION.....	\$ 753,560,200
19	Federal revenues:	
20	Total federal.....	689,312,400
21	Special revenue funds:	
22	Total local revenues.....	8,968,000
23	Total private revenues.....	1,840,300
24	Total restricted.....	14,512,300
25	State general fund/general purpose.....	\$ 38,927,200
26	BUREAU OF EXECUTIVE DIRECTION AND ADMINISTRATIVE SERVICES	
27	Full-time equated unclassified positions.....	6.0

1	Full-time equated classified positions.....	228.2	
2	Superintendent of public instruction.....	\$	95,000
3	Unclassified positions.....		339,100
4	Executive direction and administrative services--	228.2	
5	positions.....		18,093,800
6	Building occupancy charges-property management services..		2,211,400
7	Central fund for acquiring additional federal funds.....		2,000,000
8	Central fund for acquiring additional foundation grants		
9	and gifts.....		1,000,000
10	Central fund for acquiring medicaid revenues.....		1,000,000
11	GROSS APPROPRIATION.....	\$	24,739,300
12	Appropriated from:		
13	Interdepartmental grant revenues:		
14	IDG from licensing and regulation, ADP.....		154,600
15	IDG from school aid fund.....		850,000
16	Federal revenues:		
17	DAG-commodity supplemental food program.....		30,900
18	DAG-FNS, national school lunch.....		2,373,100
19	DAG-FNS, nutrition education and training.....		1,500
20	DAG-the emergency food assistance program.....		64,700
21	DED, civil service assessment.....		313,000
22	DED-OBEMLA, bilingual education.....		2,300
23	DED-OERI, national diffusion network.....		117,600
24	DED-OESE, chapter 1, migrant education.....		16,800
25	DED-OESE, chapter 1, state administration.....		313,400
26	DED-OESE, civil rights (national origin).....		2,000
27	DED-OESE, civil rights (race).....		243,000

1	DED-OESE, civil rights (sex).....	249,500
2	DED-OESE, ECIA, chapter 2.....	3,839,100
3	DED-OESE, mathematics and science administration.....	3,300
4	DED-OPSE, federal lenders allowance.....	291,600
5	DED-OPSE, higher education act of 1965, insured loans..	211,800
6	DED-OSERS, handicapped client assistance.....	5,700
7	DED-OSERS, handicapped infants and toddlers.....	6,400
8	DED-OSERS, handicapped program (PL 94-142).....	401,100
9	DED-OSERS, rehabilitation services, basic support.....	1,100,500
10	DED-OVAE, adult education for the homeless.....	5,800
11	DED-OVAE, adult education, state administered program..	18,700
12	DED-OVAE, basic grants to states.....	187,400
13	DED-OVAE, homeless children and youth.....	171,000
14	DED-OVAE, state councils.....	7,800
15	DOL, JTPA.....	17,300
16	DOT-NHTSA, highway safety.....	92,800
17	Federal revenue, additional acquired.....	2,000,000
18	HHS-CDC, AIDS education.....	11,600
19	HHS-HCFA, medical assistance program title XIX.....	1,000,000
20	HHS-SSA, contract for services.....	1,069,200
21	HHS-SSA, supplemental security income.....	4,300
22	VA, contract.....	9,200
23	Special revenue funds:	
24	Certification fees.....	287,200
25	Commodity distribution fees.....	38,100
26	Drivers fees.....	369,900
27	Legal publications.....	40,000

1	Motorcycle license fees.....	130,100
2	Private occupational school license fees.....	3,000
3	Safety education fund.....	111,000
4	School bond loan fees.....	139,200
5	Foundation gifts and grants, additional acquired.....	1,000,000
6	State general fund/general purpose.....\$	7,433,800
7	BUREAU OF INSTRUCTIONAL SERVICES	
8	Full-time equated classified positions.....216.3	
9	Instructional services operations--216.3 positions.....\$	17,290,400
10	GROSS APPROPRIATION.....\$	17,290,400
11	Appropriated from:	
12	Interdepartmental grant revenues:	
13	IDG from school aid fund.....	250,000
14	Federal revenues:	
15	DAG-FNS, nutrition education and training.....	185,700
16	DED-OBEMLA, bilingual education.....	116,200
17	DED-OBEMLA, emergency immigrant education assistance...	4,200
18	DED-OESE, chapter 1, migrant education.....	744,300
19	DED-OESE, chapter 1, state administration.....	1,698,400
20	DED-OESE, civil rights (national origin).....	212,400
21	DED-OESE, ECIA, chapter 2.....	479,900
22	DED-OESE, mathematics and science administration.....	329,600
23	DED-OSERS, handicapped infants and toddlers.....	371,200
24	DED-OSERS, handicapped preschool incentive grants.....	290,400
25	DED-OSERS, handicapped program (PL 94-142).....	3,327,600
26	DED-OVAE, basic grants to states.....	2,504,900
27	DED-OVAE, state councils.....	327,300

1	HHS-CDC, AIDS education.....	682,700
2	HHS-OHDS, dependent care block grant.....	31,900
3	Special revenue funds:	
4	Certification fees.....\$	18,200
5	W.K. Kellogg foundation.....	307,600
6	State general fund/general purpose.....\$	5,407,900
7	BUREAU OF POSTSECONDARY EDUCATION	
8	Full-time equated classified positions.....237.5	
9	Postsecondary education operations--237.5 positions....\$	28,172,800
10	GROSS APPROPRIATIONS.....\$	28,172,800
11	Appropriated from:	
12	Federal revenues:	
13	DED-OESE, mathematics and science administration.....	98,900
14	DED-OPSE, federal lenders allowance.....	8,427,700
15	DED-OPSE, higher education act of 1965, Byrd	
16	scholarship.....	12,000
17	DED-OPSE, higher education act of 1965, insured loans..	12,835,100
18	DED-OVAE, adult education for the homeless.....	154,800
19	DED-OVAE, adult education, state administered program..	611,100
20	DED-OVAE, basic grants to states.....	525,800
21	DOL, JTPA.....	703,400
22	HHS, immigration reform and control act.....	9,200
23	VA contract.....	590,000
24	Special revenue funds:	
25	Certification fees.....	2,057,400
26	Higher education facilities authority fees.....	214,100
27	Private occupational school license fees.....	368,900

1	College work study.....	46,000
2	State general fund/general purpose.....\$	1,518,400
3	BUREAU OF REHABILITATION AND DISABILITY	
4	Full-time equated classified positions.....1,303.0	
5	Vocational rehabilitation operations--651.0 positions...	39,873,300
6	State technical institute and rehabilitation center	
7	operations--104.5 positions.....	6,752,800
8	Disability determination services operations--547.5	
9	positions.....	44,250,600
10	Private gifts.....	80,000
11	GROSS APPROPRIATION.....\$	90,956,700
12	Appropriated from:	
13	Interdepartmental grant revenues:	
14	IDG from civil service.....	50,000
15	Federal revenues:	
16	DED-OPSE, higher education act of 1965, Pell grant.....	450,000
17	DED-OSERS, handicapped client assistance.....	321,200
18	DED-OSERS, independent living.....	43,100
19	DED-OSERS, in-service training.....	107,200
20	DED-OSERS, rehabilitation services, basic support.....	36,207,700
21	HHS-SSA, contract for services.....	44,250,600
22	HHS-SSA, supplemental security income.....	123,600
23	Special revenue funds:	
24	Rehabilitation services fees.....	1,819,700
25	Second injury fund.....	464,300
26	Student fees.....	43,700
27	Training material fees.....	117,200

1	Local vocational rehabilitation match.....	387,600
2	Gifts, bequests, and donations.....	80,000
3	State general fund/general purpose.....\$	6,490,800
4	MICHIGAN SCHOOL FOR THE BLIND	
5	Full-time equated classified positions.....102.0	
6	School for the blind operations--100.5 positions.....\$	4,816,800
7	Corrections academy lease.....	297,200
8	Corrections food service.....	266,400
9	Michigan deaf/blind center--1.5 positions.....	168,000
10	Private gifts.....	199,700
11	State employee child care center.....	90,000
12	GROSS APPROPRIATIONS.....\$	5,838,100
13	Appropriated from:	
14	Interdepartmental grant revenues:	
15	IDG from corrections academy food service.....	266,400
16	IDG from corrections academy lease.....	297,200
17	Federal revenues:	
18	DAG-FNS, national school lunch.....	20,800
19	DED-OSERS, handicapped children, ECIA chapter 1.....	61,000
20	DED-OSERS, handicapped innovative programs.....	168,000
21	DED-OSERS, handicapped program (PL94-142).....	16,700
22	Special revenue funds:	
23	Local cost sharing (schools for blind/deaf).....	2,651,300
24	Gifts, bequests, and donations.....	199,700
25	Living and learning resource center - rent.....	6,000
26	State employee child care center.....	90,000
27	State general fund/general purpose.....	2,061,000

1 MICHIGAN SCHOOL FOR THE DEAF		
2	Full-time equated classified positions.....	124.0
3	School for the deaf operations--106.0 positions.....	\$ 6,594,700
4	Private gifts.....	25,000
5	Special needs unit--18.0 positions.....	733,400
6	GROSS APPROPRIATIONS.....	\$ 7,353,100
7	Appropriated from:	
8	Federal revenues:	
9	DAG-FNS, national school lunch.....	51,400
10	DED-OSERS, captioned films.....	7,300
11	DED-OSERS, handicapped children, ECIA chapter 1.....	195,700
12	DED-OSERS, handicapped program (PL94-142).....	249,400
13	Special revenue funds:	
14	Local cost sharing (schools for blind/deaf).....	4,306,300
15	Gifts, bequests, and donations.....	25,000
16	State general fund/general purpose.....	\$ 2,518,000
17	GRANTS AND DISTRIBUTIONS	
18	FEDERAL PROGRAMS	
19	Adult basic education.....	\$ 6,768,300
20	AIDS education grants.....	60,000
21	Drug free schools grant.....	14,500,000
22	ECIA, chapter 1.....	250,700,000
23	ECIA, chapter 1, handicapped.....	5,589,800
24	ECIA, chapter 1, migrant.....	12,000,000
25	ECIA, chapter 2, grants.....	15,480,900
26	Emergency immigrant.....	300,000
27	Handicapped infants and toddlers.....	2,700,000

1	Homeless education grant.....	400,000
2	Job training partnership act.....	7,952,700
3	Mathematics and science grants.....	6,400,000
4	Pre-school grants (PL94-142).....	14,136,800
5	School age child care grants (\$87,900 GF/GP).....	349,600
6	School lunch program-federal share.....	158,000,000
7	Special education.....	1,500,000
8	State legalization impact assistance grants.....	600,000
9	Supported employment grants.....	1,043,900
10	Surplus commodity.....	2,506,000
11	Systems change for inclusive education.....	266,400
12	Training personnel for education of the handicapped....	253,600
13	Vocational education act of 1963.....	32,665,100
14	Vocational rehabilitation client services (\$3,262,400	
15	GF/GP).....	25,157,700
16	Vocational rehabilitation facilities.....	2,250,100
17	Vocational rehabilitation independent living (\$107,500	
18	GF/GP).....	1,131,300
19	STATE PROGRAMS	
20	Communities first pilot projects.....	1,000
21	Driver education.....	7,250,000
22	Early childhood development programs.....	5,353,000
23	Motorcycle safety education.....	750,000
24	Off road vehicle safety training grant.....	194,300
25	Personal care attendants.....	151,500
26	School lunch program - state share.....	2,275,600
27	School lunch program - supplemental state grants.....	2,032,100

1	State breakfast program.....	226,300
2	W. K. Kellogg science improvement.....	182,000
3	GROSS APPROPRIATIONS.....	\$ 581,128,000
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG from civil service.....	\$ 50,000
7	Federal revenues:	
8	DAG-FNS, national school lunch.....	158,000,000
9	DAG-the emergency food assistance program.....	2,506,000
10	DED-OBEMLA, emergency immigrant education assistance.....	300,000
11	DED-OESE, chapter 1, local educational agencies.....	250,700,000
12	DED-OESE, chapter 1, migrant education.....	12,000,000
13	DED-OESE, drug free schools and communities.....	14,500,000
14	DED-OESE, ECIA, chapter 2.....	15,480,900
15	DED-OESE, mathematics and science administration.....	6,400,000
16	DED-OSERS, handicapped children, ECIA chapter 1.....	5,589,800
17	DED-OSERS, handicapped infants and toddlers.....	2,700,000
18	DED-OSERS, handicapped preschool incentive grants.....	14,136,800
19	DED-OSERS, handicapped program (PL94-142).....	1,500,000
20	DED-OSERS, independent living.....	1,023,800
21	DED-OSERS, personnel development.....	253,600
22	DED-OSERS, rehabilitation facilities.....	1,710,000
23	DED-OSERS, rehabilitation services, basic support.....	19,887,600
24	DED-OSERS, supported employment.....	1,043,900
25	DED-OSERS, severely handicapped.....	266,400
26	DED-OVAE, adult education, state administered program..	6,768,300
27	DED-OVAE, basic grants to states.....	32,665,100

1	DED-OVAE, adult education for the homeless.....	400,000
2	DOL, JTPA.....	7,952,700
3	HHS-CDC, AIDS education.....	60,000
4	HHS-OHDS, dependent care block grant.....	261,700
5	HHS, immigration reform and control act.....	600,000
6	HHS-SSA, supplemental security income.....	875,000
7	Special revenue funds:	
8	W. K. Kellogg foundation.....	182,000
9	Driver fees.....	7,250,000
10	Motorcycle license fees.....	750,000
11	Safety education fund.....	194,300
12	Local vocational rehabilitation match.....	1,082,700
13	Local vocational rehabilitation facilities match.....	540,100
14	State general fund/general purpose.....\$	13,497,300
15	Sec. 201. (1) In accordance with the provisions of section 30 of	
16	article IX of the state constitution of 1963, total state spending from	
17	state resources in this appropriation act is \$3,442,980,700.00, and state	
18	appropriations to be paid to local units of government in section 101 are	
19	as follows:	
20	STATE AID TO PUBLIC SCHOOLS AND INTERMEDIATE	
21	SCHOOL DISTRICTS.....\$	2,922,492,100
22	DEPARTMENT OF EDUCATION	
23	Instructional services operations.....\$	120,000
24	State school breakfast program.....\$	226,300
25	School lunch program state share.....	2,275,600
26	School lunch program supplemental state grants.....	2,032,100
27	Motorcycle safety.....	750,000

1 Driver education.....	<u>7,250,000</u>
2 Subtotal.....	\$ 12,654,000
3 TOTAL EDUCATION.....	\$ 2,935,146,100

4 (2) If it appears to the principal executive officers of each
5 department that state spending to local units of government will be less
6 than the amount that was projected to be expended for any quarter, the
7 principal executive officer shall immediately give notice of the
8 approximate shortfall to the department of management and budget, the
9 senate and house appropriations subcommittees responsible for the
10 department's budget, and the senate and house fiscal agencies.

11 Sec. 202. The appropriations made and the expenditures authorized
12 under this act and the institutions, departments, agencies, commissions,
13 boards, offices, and programs for which an appropriation is made under
14 this act are subject to the management and budget act, Act No. 431 of the
15 Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan
16 Compiled Laws.

17 STATE AID TO PUBLIC SCHOOLS AND INTERMEDIATE SCHOOL DISTRICTS

18 Sec. 1003. (1) "Average daily attendance", for the purposes of
19 complying with section 198 of part F of title I of Public Law 89-10, 20
20 U.S.C. 2854 in 1992-93, means 92% of the membership as defined in section
21 1006(4).

22 (2) "Average annual membership" means the average of the number of
23 full-time equivalent pupils in grades K-12 and in adult education
24 determined to be actually enrolled and in regular daily attendance on the
25 pupil membership count day using the membership determination under
26 section 1006(4) and the number of full-time equivalent pupils in grades
27 K-12 and in adult education determined to be actually enrolled and in

1 regular daily attendance on the third Friday in February or, for a
2 district that is not in session that day, the most immediately preceding
3 day on which the district is in session using the membership
4 determination under section 1006(4).

5 (3) For 1992-93, payments made from funds appropriated in section 101
6 for local school district membership formula and adult education
7 membership shall be allocated to each district based on average annual
8 membership as defined in (2) above and reported to the department for
9 1991-92.

10 (4) "Average daily attendance" means the aggregate number of pupils
11 in membership and instructional attendance of a district or intermediate
12 district, or university school operated under section 1023C, on each day
13 of scheduled pupil instruction for which the district or intermediate
14 district is credited a day of pupil instruction as mandated in section
15 1100 of this act, divided by the aggregate number of pupil instruction
16 days in a defined reporting period.

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

18 (6) "Department" means the department of education.

19 (7) "District" means a local school district established under part
20 2, 3, 4, 5, or 6 of the school code of 1976 or a local act school
21 district.

22 (8) "District superintendent" means the superintendent of a district.

23 Sec. 1003a. (1) In order to receive funds under this act, a district
24 or intermediate district shall implement an attendance reporting system
25 which will allow the district or intermediate district to report average
26 daily attendance as defined in section 1003(4) to the department, in a
27 form and manner prescribed by the department, for the last 60 days in
28 session of the 1992-93 school year. Said report shall be submitted to
29 the department no later than 45 days after the last mandatory day of

1 pupil instruction as defined by section 1100 of this act.

2 (2) In 1993-94, it is executive intent that payments made from funds
3 appropriated for the local school district membership formula will be
4 allocated to each district based on the average daily attendance reported
5 to the department for the last 60 days in session of the 1992-93 school
6 year.

7 (3) Beginning in 1994-95 and each year thereafter, it is executive
8 intent that payments made from funds appropriated in section 101 for the
9 local school district membership formula will be allocated to each
10 district based on the average daily attendance for the prior year as
11 reported to the department for the 120 days remaining after the highest
12 average daily attendance for 30 consecutive days and the lowest average
13 daily attendance for 30 consecutive days have been removed from the
14 calculation.

15 (4) The department shall provide technical assistance in implementing
16 this section at the request of a district or intermediate district.

17 Sec. 1004. (1) "Elementary pupil" means a pupil in membership in
18 grades K to 8 in a district not maintaining classes above the eighth
19 grade or in grades K to 6 in a district maintaining classes above the
20 eighth grade.

21 (2) "Extended school year" means an educational program conducted by
22 a district in which pupils must be enrolled but not necessarily in
23 attendance on the pupil membership count day in an extended year program.
24 The mandatory days of student instruction and prescribed clock hours
25 shall be available to each pupil not more than 365 calendar days after
26 the district's scheduled first day of classes for the school year
27 prescribed. The department shall prescribe pupil, personnel, and other
28 reporting requirements for the educational program.

29 (3) "Fiscal year" means the state fiscal year which commences October

1 1 and continues through September 30.

2 (4) "General educational development testing preparation program"
3 means a program that has high school level courses in writing skills,
4 social studies, science, reading skills, and mathematics and that
5 prepares a person to complete successfully the general educational
6 development (GED) test.

7 (5) "High school pupil" means a pupil in membership in grades 7 to 12,
8 except in a district not maintaining grades above the eighth grade.

9 Sec. 1005. (1) "Intermediate board" means the governing body of an
10 intermediate district.

11 (2) "Intermediate district" means an intermediate school district
12 established under part 7 of the school code of 1976.

13 (3) "Intermediate superintendent" means the superintendent of an
14 intermediate district.

15 Sec. 1006. (1) "Center program" means a program operated by a district
16 or intermediate district for special education pupils from several
17 districts in programs for the autistically impaired, trainable mentally
18 impaired, severely mentally impaired, severely multiply impaired, hearing
19 impaired, physically and otherwise health impaired, and visually
20 impaired. Programs for emotionally impaired pupils housed in buildings
21 that do not serve regular education pupils shall also qualify. Unless
22 otherwise approved by the department, a center program either shall serve
23 all constituent districts within an intermediate district or shall serve
24 several districts with less than 50% of the pupils residing in the
25 operating district. In addition, pupils approved by the department, who
26 formerly would have been placed in a center program, placed in noncenter
27 programs to comply with the least restrictive environment provisions of
28 section 612 of the education of the handicapped act, 20 U.S.C. 1412, may
29 be counted under this section provided:

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

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

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

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

18 (4) "Membership", except as otherwise provided in sections 1056 and
19 1062, means the number of full-time equivalent pupils in grades K to 12
20 and in adult education actually enrolled and in regular daily attendance
21 on the pupil membership count day as determined by the number of pupils
22 registered for attendance plus pupils received by transfer and minus
23 pupils lost as defined by rules promulgated by the state board. In a
24 district operating an extended school year program approved by the state
25 board, a pupil enrolled, but not scheduled to be in regular daily
26 attendance on the pupil membership count day, shall be counted. A pupil
27 enrolled in and attending a university-operated instructional program for
28 1992-93 shall be counted in average annual membership under section
29 1023c, but shall not be counted in membership in a district. The

1 department shall give a uniform interpretation of full-time and part-time
2 memberships. The state board may provide a district with an adjustment
3 of the district's membership count upon the showing of a substantial
4 increase in membership due to the closing of a nonpublic school or a
5 substantial influx of new residents into the district resulting in a
6 membership increase in a single building of at least 5% but not less than
7 25 pupils after the pupil membership count day. In a district offering
8 classes that are scheduled for a full year in which different pupils
9 participate in different sessions, known as "slot-funded" classes,
10 full-time equated memberships shall be determined by dividing the number
11 of class hours scheduled and provided per year per pupil by 900 for
12 elementary and secondary pupils and by 480 for adult education pupils,
13 and for each 480-hour block of such a class for adult education pupils,
14 the maximum full-time equated membership per training station is 1
15 full-time equated membership. The number of pupils enrolled in each
16 480-hour block of a class that is scheduled for a full year in which
17 different pupils participate in different sessions shall not exceed the
18 number of training stations except when waived by the department for
19 a competitive grant awarded under section 1107a.

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

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

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

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

4 (i) Fourth Friday in July.

5 (ii) Fourth Friday in October.

6 (iii) Fourth Friday in January.

7 (iv) Fourth Friday in April.

8 (c) A district receiving funds from the job training partnership act,
9 Public Law 97-300, 96 Stat. 1322, or a district operating a training
10 program approved by the department may amend the number of pupils counted
11 on the pupil membership count day to include pupils participating in the
12 job training partnership act program or a training program approved by
13 the department. The pupil membership count day for these pupils shall
14 be the third Friday after the first Monday after the start of instruction
15 for the program. Aid allocated under section 1021(1) for these pupils
16 shall be reduced $1/480$ for each hour of classroom instruction the pupils
17 are scheduled to receive under 480 hours and further reduced to ensure
18 that the combined section 1021(1) allocation and the job training
19 partnership act or other approved training program aid for the programs
20 do not exceed the cost of the programs as independently audited, or as
21 otherwise verified by the intermediate school district of the district
22 operating the programs.

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

26 (8) "The school code of 1976" means Act No. 451 of the Public Acts of
27 1976, as amended, being sections 380.1 to 380.1852 of the Michigan
28 Compiled Laws.

29 (9) "School fiscal year" means a fiscal year which commences July 1

1 and continues through June 30.

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

3 (11) "Tuition pupil" means a pupil of school age attending school in
4 a district other than the pupil's district of residence. A pupil's
5 district of residence shall not require a high school tuition pupil, as
6 provided under section 1111, to attend another school district after the
7 pupil has been assigned to a school district.

8 Sec. 1007. Costs for school operating purposes include all of the
9 following expenditures from the general fund of a district or from the
10 operating funds of an intermediate district:

11 (a) Expenditures for instruction and support services, including
12 salaries and employee benefits of teachers and other employees, purchased
13 services, textbooks, and other supplies and materials.

14 (b) Expenditures for furniture and equipment, for alterations
15 necessary to maintain school facilities in a safe and sanitary condition,
16 for funding the cost of energy conservation improvements in school
17 facilities, and for deficiencies in operating expenses for the preceding
18 year.

19 (c) Expenditures for school lunch programs, bookstore operations,
20 interscholastic athletics, community services, and cooperative education
21 projects.

22 Sec. 1008. On the basis of a district's pupil retention report as
23 defined in section 1006(3), the department shall calculate an annual
24 pupil dropout rate for each district. In addition, the department shall
25 calculate an annual pupil dropout rate for the state in the same manner
26 as that used to calculate the pupil dropout rate for a district. The
27 department shall report all pupil dropout rates to the senate and house
28 education committees and appropriations committees not later than March
29 31 each year.

1 Sec. 1009. The state board shall promulgate rules necessary to
2 implement and administer this act. The rules which affect the
3 distribution of a school aid program shall not be promulgated later than
4 the third Friday of January of the year following legislative enactment
5 of the program. The joint legislative committee on administrative rules
6 shall report a violation of this section to the legislature and the
7 governor.

8 Sec. 1012. The legislature shall allocate sufficient general operating
9 aid under this act so that aggregate unequalized revenue among districts
10 not receiving an allocation under section 1021(1) does not exceed the
11 following percentages of the sum of the aggregate statewide local
12 operating revenue and general operating aid received under this act: in
13 the 1992-93 state fiscal year, 11%; in the 1993-94 state fiscal year,
14 10.5%; and in the 1994-95 state fiscal year and each succeeding state
15 fiscal year, 10%. As used in this section, "unequalized revenue" means
16 that amount of general operating revenue available to a district not
17 receiving an allocation under section 1021(1) that exceeds the amount of
18 general operating revenue that the district would receive if it were
19 eligible for an allocation under section 1021(1). As used in this
20 section, the "general operating revenue" of a district does not include
21 money the district pays under section 752 or 753 of the school code of
22 1976, being sections 380.752 and 380.753 of the Michigan Compiled Laws,
23 and does include revenue the district receives under section 752 or 753
24 of the school code of 1976.

25 Sec. 1013. The apportionments and limitations of the apportionments
26 made under this act shall be made on the average annual membership for
27 the preceding year on number of teachers and other professionals approved
28 by the superintendent of public instruction employed as of the pupil
29 membership count day or days of each year, on the cost of pupil

1 transportation for the preceding school year, on the state equalized
2 valuation and on the operating millage of each district for the calendar
3 year except as limited by section 1021(1). Apportionments shall be made
4 under this act for teachers and other personnel approved by the
5 superintendent of public instruction in special education programs and
6 services initiated after the pupil membership count day or days pursuant
7 to section 1053. In addition, a district maintaining school during the
8 entire year, as provided in section 1561 of the school code of 1976,
9 shall count memberships and teachers pursuant to rules promulgated by the
10 state board.

11 Sec. 1014. If the returns from an intermediate district or district
12 upon which a statement of the amount to be disbursed or paid are
13 defective, making it impracticable to ascertain the apportionment to be
14 disbursed or paid, the department shall ascertain by the best evidence
15 available the facts upon which the ratio and amount of the apportionment
16 shall depend and make the apportionment accordingly.

17 Sec. 1015. (1) If a district or intermediate district fails to receive
18 its proper apportionment, the department, upon satisfactory proof that
19 the district or intermediate district was entitled justly, shall
20 apportion the deficiency in the next apportionment. If a district or
21 intermediate district has received more than its proper apportionment,
22 the department, upon satisfactory proof, shall deduct the excess in the
23 next apportionment, except that a deduction due to an adjustment by the
24 state tax commission in the equalized valuation of a district or
25 intermediate district shall be made in the apportionment for the fiscal
26 year following the fiscal year in which the state tax commission
27 finalizes the valuation. Notwithstanding any other provision in this act,
28 the state aid overpayments to a district based on adjustments in section
29 1017(2) and (3) related to executive orders in prior years may be

1 equitably recovered from the allocations to districts in section 1146.

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

8 (3) A deduction, due to an adjustment as a result of an audit
9 conducted by or for the department with respect to adult education
10 programs, shall be deducted from the district's or community college's
11 apportionments within a 1-year period beginning in the fiscal year in
12 which the adjustment is finalized. The department may grant an
13 additional 1 year based upon satisfactory evidence of a hardship.

14 Sec. 1016. Notwithstanding the allowance for pupils attending school
15 in a district for tuition or transportation, or both, a district shall
16 not receive a greater allowance than the actual amounts paid by the
17 district. If a district receives in an apportionment more than was paid,
18 the excess shall be deducted from the district's next apportionment.

19 Sec. 1017. (1) Not later than October 15, November 15, December 15,
20 January 15, February 15, March 15, April 15, May 15, June 15, and August
21 15, the department shall prepare a statement of the amount to be
22 distributed in the installment to the districts and intermediate
23 districts and deliver the statement to the state treasurer, and the state
24 treasurer shall pay the installments on each of those dates or on the
25 next business day following each of those dates. Except for section
26 1022(2), the portion of the district's or intermediate district's state
27 fiscal year entitlement to be included in each installment shall be 10%,
28 10%, 10%, 9%, 10%, 9%, 10%, 9%, 10%, and 13%, respectively. Section
29 1022(2) allocations shall be paid in full in the October payment. The

1 state treasurer shall make payment under this section by drawing a
2 warrant in favor of the treasurer of each district or intermediate
3 district for the amount payable to the district or intermediate district
4 according to the statement and delivering the warrant to the treasurer
5 of each district or intermediate district or, if the state treasurer
6 receives a written request by the treasurer of the district or
7 intermediate district specifying an account, by electronic funds transfer
8 to that account of the amount payable to the district or intermediate
9 district according to the statement. The department may make adjustments
10 in payments made under this section through additional payments when
11 changes in law, errors in computation, or receipt of official tax base
12 sharing reports from regional controllers under section 752(2)(c) or
13 753(3)(c) of the school code of 1976, being sections 380.752 and 380.753
14 of the Michigan Compiled Laws, cause the regularly scheduled payment to
15 be less than the amount to which the district or intermediate district
16 is entitled pursuant to this act. For the 1990-91 and 1991-92 school
17 fiscal years only, a district or intermediate district may consider the
18 amount distributed in the August scheduled payment of the next school
19 fiscal year to be continuously allocated for either the immediately
20 preceding or current school fiscal year for state accounting purposes.
21 A district or intermediate district that chooses to allocate the August
22 payment to the immediately preceding school fiscal year shall notify in
23 writing the department of its decision not later than October 16, 1991
24 for the 1990-91 school fiscal year and September 15, 1992 for the 1991-92
25 school fiscal year. Any district or intermediate district that does not
26 so notify the department shall continue to allocate the August payment
27 for state accounting purposes to the current school fiscal year in which
28 the payments are received under the payment schedule of this section.

29 (2) Payments made pursuant to subsection (1) shall be adjusted so that

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

8 (3) Payments made pursuant to subsection (1) shall be adjusted so that
9 districts and intermediate districts receive, in addition, in their
10 1983-84 school fiscal year 60% of those amounts by which their 1983-84
11 school fiscal year payments were reduced due to executive order 1983-5.
12 Payments in subsequent fiscal years shall be adjusted so that districts
13 and intermediate districts receive not later than October 31 for each
14 school fiscal year those amounts by which the payments of that school
15 fiscal year were reduced due to this subsection.

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

20 (5) For the 1992-93 state fiscal year, if a district files a statement
21 with the state treasurer not later than March 15, 1992 certifying that
22 the district expects the amount of industrial facility tax levied under
23 Act No. 198 of the Public Acts of 1974, being sections 207.551 to 207.571
24 of the Michigan Compiled Laws, to exceed state school aid allocations
25 made under section 1021(1) in the 1992-93 state fiscal year and the
26 district's industrial facility tax payment exceeded state school aid
27 allocations made under section 1021(1) in the 1991-92 state fiscal year,
28 the October school aid payment shall be increased by the amount by which
29 the state treasurer certifies that the industrial facility tax will

1 exceed the allocations made under section 1021(1). However, the amount
2 of the increase shall not exceed the amount by which the industrial
3 facility tax exceeded section 1021(1) state school aid allocations in the
4 1991-92 state fiscal year. If the state tax commission certifies that
5 industrial facility tax collections for a district subject to this
6 subsection are less than the sum of the adjustments made under this
7 subsection and the district's allocation under section 1021(1), the
8 difference shall be deducted from the August school aid payment.

9 (6) Except as otherwise specified in this act, grant payments under
10 this act shall be paid in 2 equal installments to be paid not later than
11 January 15 and April 15 of the state fiscal year.

12 (7) In order to receive payments under this act, a district shall
13 comply with part 7a of the school code of 1976, being sections 380.751
14 to 380.756 of the Michigan Compiled Laws. If an out-of-formula district
15 does not comply with part 7a of the school code of 1976, an amount equal
16 to the amount of state aid that the out-of-formula district would have
17 been paid under this act if it had complied with part 7a of the school
18 code of 1976 shall be paid by the state treasurer not later than May 15
19 to the in-formula districts in the region in which the out-of-formula
20 district is located on the same basis as payments are made to in-formula
21 districts under part 7a of the school code of 1976. As used in this
22 subsection, "in-formula district", "out-of-formula district", and
23 "region" mean those terms as defined in part 7a of the school code of
24 1976.

25 Sec. 1017a. (1) The department may withhold all or part of any payment
26 that a district or intermediate district is entitled to receive under
27 this act to the extent the withholdings are a component part of a plan,
28 developed and implemented pursuant to chapter IX of the municipal finance
29 act, Act No. 202 of the Public Acts of 1943, being sections 139.1 to

1 139.3 of the Michigan Compiled Laws, for financing an outstanding
2 obligation upon which the district or intermediate district defaulted.
3 Amounts withheld shall be used to pay, on behalf of the district or
4 intermediate district, unpaid amounts or subsequently due amounts, or
5 both, of principal and interest on the outstanding obligation upon which
6 the district or intermediate district defaulted.

7 (2) Under an agreement entered into by a district or intermediate
8 district assigning all or a portion of the payment that it is eligible
9 to receive under this act to the Michigan municipal bond authority or
10 pledging such amount for payment of an obligation it incurred with the
11 Michigan municipal bond authority, the state treasurer shall transmit to
12 the Michigan municipal bond authority or a trustee designated by the
13 authority the amount of the payment which is assigned or pledged under
14 the agreement. Notwithstanding the payment dates prescribed by this act
15 for distributions under this act, the state treasurer may advance all or
16 part of a payment which is dedicated for distribution or for which the
17 appropriation authorizing the payment has been made if and to the extent,
18 under the terms of an agreement entered into by a district or
19 intermediate district and the Michigan municipal bond authority, the
20 payment which the district or intermediate district is eligible to
21 receive has been assigned to or pledged for payment of an obligation it
22 incurred with the Michigan municipal bond authority. This subsection does
23 not require the state to make an appropriation to any school district or
24 intermediate school district and shall not be construed as creating an
25 indebtedness of the state, and any agreement made pursuant to this
26 subsection shall contain a statement to that effect.

27 Sec. 1017b. (1) The department may suspend process of payment or
28 other disbursement of state aid to any district which is more than 30
29 days beyond the applicable due date for (a) the Form B report in its

1 entirety or (b) the annual education report required by the provisions
2 of Act 25, Public Acts of 1990, or (c) the reporting of membership and
3 average daily attendance as set forth in section 1003a.

4 (2) The department shall gauge the extent to which reasonable and good
5 faith effort is made by a district or intermediate district to fulfill
6 its reporting obligations and may use the suspension of payments, or part
7 payments in lieu thereof, as a means to compel compliance with the
8 provisions of subsection (1).

9 Sec. 1018. (1) Except as provided elsewhere in this act, each district
10 or other entity shall apply the money received by the district or entity
11 under this act to salaries of teachers and other employees, tuition,
12 transportation, lighting, heating, ventilation, water service, the
13 purchase of textbooks which are designated by the board to be used in the
14 schools under the board's charge, other supplies, and any other school
15 operating expenditures defined in section 1007. Except for a district
16 affected by section 1022(2), an amount equal to not more than 5% of the
17 total amount received by a district under article 2 may be transferred
18 by the board to either the building and site fund or to the debt
19 retirement fund for debt service for debts contracted after December 8,
20 1932. The money shall not be applied or taken for a purpose other than
21 as provided in this section. The department shall determine the
22 reasonableness of expenditures made pursuant to this act, and state aid
23 may be withheld from a district or adult alternative education grants
24 from a community college otherwise due for the fiscal year following the
25 discovery of a violation relative to this act.

26 (2) For the purpose of determining the reasonableness of expenditures
27 and whether a violation of this act has occurred, the department shall
28 require the performance of an audit of the district's or community
29 college's financial and pupil accounting records at least annually at the

1 expense of the district or community college by a certified public
2 accountant or by the intermediate district superintendent, as may be
3 required by the department, or in the case of a district of the first
4 class by a certified public accountant, the intermediate superintendent,
5 or the auditor general of the city. The audits and management letters
6 shall be subject to rules prescribed by the state board, in consultation
7 with the state auditor general. A copy of the report of each audit shall
8 be filed as required by the state board and shall be available to the
9 public in compliance with the freedom of information act, Act No. 442 of
10 the Public Acts of 1976, as amended, being sections 15.231 to 15.246 of
11 the Michigan Compiled Laws.

12 Sec. 1019. In order to receive all of the funds for which a district
13 qualifies under this act, each year not later than December 1, a district
14 shall provide to the state board and the public the annual education
15 report described in section 1204a of the school code of 1976, being
16 section 380.1204a of the Michigan Compiled Laws. In addition to the
17 provisions of section 1017b, a district that fails to meet the
18 requirements of this section shall forfeit 5% of the funds for which the
19 district qualifies under this act.

20 Sec. 1020. (1) It is executive intent that the final state aid to
21 local school districts and intermediate school districts recommendation
22 for the 1992-93 year shall be based upon the school aid fund revenue
23 estimates adopted in May, 1992, by the state consensus revenue estimating
24 conference as provided in Public Act 72 of 1990, and the level of general
25 fund, general purpose funding enacted into law in this act. If it is
26 subsequently determined by the January, 1993, consensus estimating
27 conference, school aid fund revenues contained in the executive budget
28 for 1993-94 that revenues will be above or below the level adopted by the
29 May, 1992, consensus estimating conference, payments to local school

1 districts shall be adjusted as provided in subsection (3) below,
2 beginning with the March 15 payment.

3 (2) In the event that the January, 1993, consensus revenue estimating
4 conference fails to reach agreement on a revised 1992-93 school aid fund
5 revenue estimate, the school aid fund revenue estimate for 1992-93
6 transmitted as part of the executive budget recommendation for 1993-94
7 shall be used to determine the need for an adjustment of payments
8 pursuant to subsection (3).

9 (3) The funds appropriated in section 101 for allocation by section
10 1021 (1) shall be adjusted to match the amounts increased or decreased
11 in (2) above, by adjusting section 1021(1), as follows:

12 (A) An increase in the allocation for section 1021 (1) shall be
13 determined by adjusting the gross allowance value of the membership
14 formula so as to increase the amount per 1991-92 mill of operating tax
15 levied.

16 (B) A decrease in the revenues available for allocation under this act
17 shall be determined by adjusting the total appropriations per pupil
18 authorized under this act, excluding appropriations for public employees
19 retirement system and the department of education, and the total
20 appropriations per pupil shall be prorated accordingly.

21 (4) The index adjustment to the payments allocated under section 1021
22 (1) shall be calculated also on the automatic revenue source adjustment
23 payments calculated by this section.

24 Sec. 1021. (1) (A) Except as otherwise provided in this act, from the
25 amount appropriated in section 101 for local district membership formula,
26 there is allocated to each district an amount per 1991-92 membership
27 pupil sufficient to guarantee the district a combined state-local yield
28 or gross allowance of \$200.00 plus \$102.35 for each mill of operating tax
29 levied. For purposes of this section, only taxes levied at rates

1 approved by the electors of a school district prior to October 1, 1992
2 for purposes included in the operation cost of the district as prescribed
3 in section 1007 shall be considered operating tax. The net allocation
4 for each district shall be an amount per 1991-92 membership pupil
5 computed by subtracting, from the gross allowance guaranteed the
6 district, the product of the district's state equalized valuation behind
7 each 1991-92 membership pupil and the millage utilized for computing the
8 gross allowance.

9 LOCAL DISTRICT CLASS SIZE INCENTIVES

10 (B) An additional \$20.00 per 1991-92 pupil in gross allowance is
11 allocated to any district that satisfies the requirements specified in
12 either of the following subdivisions:

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

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

18 If 1 or more buildings in a district do not meet the average class size
19 incentive requirement of not more than 25 pupils for grades K, 1, 2, and
20 3, taken collectively, and the district has not received a waiver from
21 the department for the requirements of subdivision (a) or (b), the
22 district's allocation shall be reduced by \$20.00 multiplied by the number
23 of K-6 pupils in each of those buildings.

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

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

29 (b) Special subject teachers, such as teachers of art, music, or

1 physical education, to the extent that they provide instruction to
2 eligible pupils.

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

7 Special education teachers.

8 Adult education teachers.

9 Professional or nonprofessional support staff.

10 Teacher aides, paraprofessionals, or volunteers.

11 Administrators or supervisors.

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

18 In order to be eligible for the additional \$20.00 per pupil permitted
19 under this subsection, unless it has received a waiver for subdivision
20 (a) or (b), a district shall submit to the department not later than
21 October 31, 1992, a resolution adopted by its board indicating that the
22 district complies with the requirements of either subdivision (a) or (b).
23 In addition, the district shall report its average class size in grades
24 K, 1, 2, and 3 in each building that houses those grades on the pupil
25 membership count day and on the subsequent membership reporting day
26 specified in section 1003(2).

27 LOCAL DISTRICT FOREIGN LANGUAGE INCENTIVES

28 (C) An additional \$15.00 per 1991-92 pupil in gross allowance is
29 allocated to each district for the establishment or expansion of foreign

1 language study programs, subject to the following requirements. The
2 district shall submit to the department not later than October 31, 1992
3 a board-adopted resolution indicating that the district will establish
4 or expand the study of foreign language by pupils in the elementary
5 grades or middle school grades, or both. Up to 1/2 of the funds received
6 by a district due to meeting the requirements of this subdivision may be
7 used for existing elementary or middle school, or both, foreign language
8 programs in the district. To be eligible for funding under this
9 incentive, the district shall offer the foreign language program or
10 programs during the regular school day or immediately preceding or
11 following the regular school day. The resolution required under this
12 subdivision shall be accompanied by a plan that describes all of the
13 following:

14 (i) How the district will achieve foreign language outcomes defined
15 in the core curriculum.

16 (ii) How the pupil selection process will ensure pupils in the
17 elementary grades or middle school grades, or both, fair access to the
18 instructional study of foreign language.

19 (iii) How the district will ensure substantial continuity or
20 uninterrupted sequence of foreign language studies from the elementary
21 grade levels or middle school grade levels, or both, through the high
22 school grade levels.

23 (iv) How the district will account for the incentive allocation to
24 ensure that at least \$15.00 per pupil is used to establish or expand the
25 study of foreign language by pupils in the elementary or middle school
26 grades, or both.

27 (v) Whether the foreign language program will be offered during the
28 regular school day or immediately preceding or the following the regular
29 school day.

LOCAL DISTRICT ADMINISTRATIVE EFFICIENCY INCENTIVES

(D) (1) An additional \$10.00 per 1991-92 pupil in gross allowance is allocated to each district having administrative expenditures less than 95 percent of the average administrative expenditure for all districts as calculated in (2) below.

(2) Administrative expenditures and pupil counts shall be those reported by districts for the 1989-90 school year. Administrative spending shall be comprised of the following activities:

(a) Support services - general administration.

(b) Support services - school administration.

(c) Support services - business, excluding pupil transportation services.

(d) Support services - central.

(e) Support services - other.

(f) Prorated employee benefits for the activities identified in subdivision (a) thru (e).

LOCAL DISTRICT FORMULA QUALITY INCENTIVES

(E) The funds appropriated in section 101 for local school district formula incentives are allocated as follows:

(1) Of the funds appropriated in section 101 for local school district formula incentives, \$40.00 per pupil is allocated to a district which is complying with core curriculum requirements contained in P.A. 25 of 1990. To be eligible for this allocation, a district shall submit to the department not later than October 31, a board-adopted resolution indicating that at least one-third of K-12 pupils are being instructed using a core curriculum adopted by the local school board as required by P.A. 25 of 1990.

(2) Of the funds appropriated in section 101 for local school district formula incentives, \$28.00 per pupil is allocated to a district

1 which is implementing a 3 to 5 year school improvement plan and
2 conducting ongoing school improvement process, including a professional
3 development plan for school staff, as required by P.A. 25 of 1990.. To
4 be eligible for this allocation, a district shall submit to the
5 department no later than October 31 a copy of the 3 to 5 year improvement
6 plan and a board-adopted resolution indicating that a continuing school
7 improvement process has been implemented.

8 (3) Of the funds appropriated in section 101 for local school
9 district formula incentives, \$12.00 per pupil is allocated to a district
10 that makes available to the state board and the public an annual
11 educational report and ensures that each school in the district
12 distributes an annual educational report to the public as required by
13 P.A. 25 of 1990. To be eligible for this allocation, a district shall
14 submit a copy of the annual educational report to the department by
15 September 1. In addition, a district shall submit to the department a
16 board-adopted resolution indicating that the district shall make
17 available to the public the annual educational report not later than 45
18 days after the due date for submission of a copy of the annual
19 educational report to the department.

20 (4) Of the funds appropriated in section 101 for local school
21 district formula incentives, \$5 per pupil is allocated to a district
22 which provides department-approved professional development for school
23 staff to provide training to integrate core curriculum, new technology
24 or new teaching methods into classrooms, or to implement new teaching
25 methods for reaching at-risk populations.

26 (F) If a district received an allocation in 1991-92 from the municipal
27 overburden program or the low income program, its gross allowance shall
28 be increased by 75% of its 1991-92 per pupil allocation for either of the
29 two programs or by \$20.00 per 1991-92 pupil, whichever is greater.

1 (G) A district's net change in per pupil revenue from state and local
2 sources calculated at the district's 1991-92 operating millage rate shall
3 be adjusted on the basis of the district's SEV per pupil and 1991-92
4 operating millage rate. For each district, an index of tax base and tax
5 effort is calculated by dividing the district's quotient of SEV per pupil
6 over operating millage rate as a ratio of the state average quotient.

7 (a) If a district's index is less than 1.0 and the district's net
8 change is negative, then the district's adjusted percentage loss equals
9 the unadjusted percentage loss minus the index value.

10 (b) If a district's index is less than 1.0 and the district's net
11 change is positive, then the district's adjusted percentage gain equals
12 the product of the unadjusted percentage gain and 1.0 minus the index;
13 minus the quantity of the index minus 1.

14 (c) If a district's index is greater than 1.0, and the district's net
15 change is negative, then the district's adjusted percentage loss equals
16 the product of the unadjusted percentage loss and the index.

17 (d) If a district's index is greater than 1.0 and the district's net
18 change is positive, then the district's adjusted percentage change equals
19 the unadjusted percentage gain minus the index.

20 (e) No district shall sustain more than a 5 percent loss in per pupil
21 revenue from state and local sources under this section.

22 (f) In the event that a district not receiving funds from section
23 1021(1) allocations sustains an adjusted per pupil loss in combined state
24 and local revenues, state aid payments to such a district from all other
25 programs excluding retirement, special education, and bilingual education
26 shall be decreased by the amount the indexed adjusted loss exceeds the
27 amount of 1991-92 revenue per pupil.

28 (g) For purposes of this section, local district per pupil revenue
29 calculations exclude retirement programs.

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

9 (3) State equalization allocations to a district shall be adjusted by
10 subtracting from the allocations money received under section 3(c)(1) of
11 title I of chapter 1124, 64 Stat. 1100, 20 U.S.C. 238, in the same
12 proportion as the total local revenues covered under the state
13 equalization program are to total local revenues for education in the
14 district, except that not more than the lesser of 50% of the money
15 received under section 3(c)(1) of title I of chapter 1124, 64 Stat. 1100,
16 20 U.S.C. 238, or \$160.00 per pupil shall be subtracted. The proportion
17 shall be based on prior year revenue and prior year impact aid. A
18 deduction shall not exceed the amount of deductible impact aid for which
19 a district is eligible under section 3(c)(1) of title I of chapter 1124,
20 64 Stat. 1100, 20 U.S.C. 238. Any deductions made under this act shall
21 be consistent with the requirements of section 5 of title I of chapter
22 1124, 64 Stat. 1100, 20 U.S.C. 240, and its regulations.

23 (4) A tax levied pursuant to section 1356(4) of the school code of
24 1976, Act No. 451 of the Public Acts of 1976, being section 380.1356 of
25 the Michigan Compiled Laws, for the retirement of an operating deficit
26 shall be considered levied for operating purposes in making computations
27 under this section.

28 Sec. 1021a. (1) From the funds appropriated in section 101 for P.A.
29 25 of 1990 implementation, there is allocated an amount not to exceed

1 \$1,600,000.00 to applicant districts, intermediate districts, and
2 consortia of districts to provide support services for developing and
3 adopting long-range school improvement plans, to prepare and distribute
4 an annual education report, to prepare for accreditation, and to adopt
5 a core curriculum as a means of raising academic standards and improving
6 school accountability. Each eligible district and intermediate district
7 shall receive per classroom building an amount equal to the total
8 allocation for this section divided by the total number of classroom
9 buildings in all of the eligible districts and intermediate districts.
10 An intermediate district may act as the fiscal agent for a consortium of
11 districts.

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

18 (3) From the funds appropriated in section 101 for P.A. 25 of 1990
19 implementation, there is allocated an amount not to exceed \$800,000.00
20 to applicant intermediate districts and consortia of intermediate
21 districts to provide support services and technical assistance for school
22 improvement planning, core curriculum development, accreditation,
23 development of annual education reports, and the development of state
24 board-approved employability skills assessment programs for districts.
25 In order to receive funds under this subsection, an intermediate district
26 or consortia of intermediate districts, as applicable, shall submit an
27 application in accordance with criteria established by the department.

28 Sec. 1021b. (1) Subject to subsection (2), a district shall use funds
29 allocated under this act to support the attendance of a district pupil

1 at a public or private degree-granting postsecondary institution if all
2 of the following conditions are met:

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

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

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

14 (3) A district shall provide by August 1 to the dually-enrolled pupil
15 a letter indicating his or her eligibility for tuition/fee support under
16 the criteria specified in this section.

17 (4) A postsecondary institution enrolling a pupil described in this
18 section shall transmit to the district a bill detailing the tuition and
19 fees for the dual-enrollment course of the dually-enrolled pupil. A
20 district that receives membership aid allocated under section 1021(1)
21 shall pay the postsecondary institution an amount to be applied to the
22 pupil's tuition and fees that represents the same proportion of the
23 amount the district receives per pupil under section 1021(1) as the ratio
24 of the time the pupil is attending classes at the postsecondary
25 institution compared to the total time the pupil is attending classes in
26 the district and at the postsecondary institution. A district that does
27 not receive aid allocated under section 1021(1) shall pay the
28 postsecondary institution an amount to be applied to the pupil's tuition
29 and fees that represents the same proportion of the amount the district

1 receives per pupil under this act as the ratio of the time the pupil is
2 attending classes at the postsecondary institution compared to the total
3 time the pupil is attending classes in the district and at the
4 postsecondary institution. The pupil is responsible for payment of the
5 remainder of the tuition and fees associated with his or her dual
6 enrollment.

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

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

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

19 Sec. 1022. (1) A district formed after January 1, 1990 by the
20 consolidation or annexation of 2 or more districts or the attachment of
21 a total district to another district is entitled to receive the same
22 total allocation under section 1021(1) that the individual districts that
23 make up the new district would have been entitled to receive in the
24 immediately preceding state fiscal year as separate districts.

25 (2) The funds appropriated in section 101 for school consolidation are
26 for (a) reorganization planning studies and (b) annual payments to
27 districts formed by the consolidation or annexation of 2 or more
28 districts or the attachment of a total district to another district not
29 later than the second Monday in June immediately preceding the current

1 fiscal year. Applications for planning study grants shall be submitted
2 in a form and manner required by the department. Payments to eligible
3 reorganized districts shall be, in the first year of the reorganization,
4 the sum of \$850.00 per pupil for each transferred pupil in membership on
5 the pupil membership count day or tuition pupil as provided for in
6 section 1111 in the school fiscal year immediately preceding the
7 reorganization in the district contributing the least number of pupils
8 to the reorganized district, \$600.00 per each such pupil in the second
9 year of the reorganization, and \$350.00 per each such pupil in the third
10 year of the reorganization. As an alternative an eligible reorganized
11 district resulting from the merger of 3 or more total districts may elect
12 a payment that shall be \$850.00 per pupil in the first year of the
13 reorganization for each transferred pupil in membership on the pupil
14 membership count date or tuition pupil as provided for in section 1111
15 in the school fiscal year immediately preceding the reorganization in the
16 districts other than the district contributing the largest number of
17 pupils to the reorganized district, \$600.00 per each such pupil in the
18 second year of the reorganization, and \$350.00 per each such pupil in the
19 third year of the reorganization, except that payment shall not be made
20 for more than 1,000 pupils to any 1 reorganized district under this
21 alternative provision. Payments made to reorganized districts under this
22 subsection shall not exceed 3 years.

23 Sec. 1023a. (1) In order to receive funds under this act, each
24 district that operates more than 1 school offering instruction at the
25 same grade level shall implement beginning in the 1992-93 school year an
26 in-district schools of choice program based on its in-district schools
27 of choice plan unless both of the following occur:

28 (a) At least 60 days before the district's last regularly scheduled
29 school election or, for a fourth class or primary district, district

1 annual meeting, before the beginning of the 1992-93 school year, the
2 board of the district adopts a resolution exempting the district from
3 implementing an in-district schools of choice program.

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

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

13 Yes []

14 No []".

15 (2) If the requirements under subsection (1) for an exemption from
16 implementing an in-district schools of choice program in the 1992-93
17 school year cannot be met in a district described in subsection (1)
18 because the district's last regularly scheduled school election or
19 district annual meeting before the beginning of the 1992-93 school year
20 occurs within 120 days after the effective date of Public Act No. 200 of
21 1991, that district is not required to implement an in-district schools
22 of choice program in the 1992-93 school year. However, in order to
23 receive funds under this act, the district shall implement beginning in
24 the 1993-94 school year an in-district schools of choice program based
25 on its in-district schools of choice plan unless both of the following
26 occur:

27 (a) At least 60 days before the district's last regularly scheduled
28 school election or, for a fourth class or primary district, district
29 annual meeting, before the beginning of the 1993-94 school year, the

1 board of the district adopts a resolution exempting the district from
2 implementing an in-district schools of choice program.

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

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

12 Yes []

13 No []".

14 (3) After the 1992-93 school year, in order to receive funds under
15 this act, a district that has implemented an in-district schools of
16 choice program under subsection (1) or (2) or rescinded an exemption
17 under subsection (4) shall offer the schools of choice program in each
18 school year unless a majority of the district's school electors voting
19 at a school election or, for a fourth class or primary district, district
20 annual meeting, approve a ballot proposal exempting the district from
21 offering an in-district schools of choice program. The proposal may be
22 placed on the ballot by board resolution adopted at least 60 days before
23 the school election or district annual meeting or by a petition signed
24 by at least 10% of the district's school electors and submitted to the
25 board at least 60 days before the school election or district annual
26 meeting. The ballot proposal shall be in substantially the form specified
27 in subsection (1) (b).

28 (4) An exemption from offering an in-district schools of choice
29 program approved under subsection (1), (2), or (3) may be rescinded if

1 a majority of the district's school electors voting at a school election
 2 or, for a fourth class or primary district, district annual meeting,
 3 approve a ballot proposal rescinding the exemption from offering an
 4 in-district schools of choice program. The proposal may be placed on the
 5 ballot by board resolution adopted at least 60 days before the school
 6 election or district annual meeting or by a petition signed by at least
 7 10% of the district's school electors and submitted to the board at least
 8 60 days before the school election or district annual meeting. The ballot
 9 proposal shall be substantially in the following form:

10 "Shall the previously approved exemption from having schools of choice
 11 within the [Insert Name of District] school district be rescinded?

12 Yes []

13 No []".

14 (5) The question of exempting a district under subsection (3) from
 15 offering a schools of choice program or of rescinding an exemption under
 16 subsection (4) shall not be voted upon by the school electors of the
 17 district more than once in a 2-year period.

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

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

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

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

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

29 (c) A plan to ensure that each pupil has an equal opportunity for

1 enrollment within the open enrollment availability provided in the school
2 that his or her parent, legal guardian, or person in loco parentis
3 chooses for him or her. The plan shall provide that, if the number of
4 pupil applicants exceeds the number allowed by the district for a
5 particular school, pupils will be selected to attend the school through
6 a random selection process. However, if in 1990-91 a district operated
7 1 or more schools for which admission was based on testing or
8 performance, such as a science or performing arts school, the district
9 may continue to use such an admission process for that school or schools.
10 The plan may give priority in placement in a school to a pupil who
11 attended a school under this section in the immediately preceding school
12 year or sibling of a pupil already enrolled in the school.

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

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

18 (7) A district is not required to adopt a program under subsection (6)
19 that would force pupils from neighborhood schools.

20 (8) To implement this section, the department shall do all of the
21 following:

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

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

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

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

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

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

8 Sec. 1023b. (1) The funds appropriated in section 101 for TEC choices
9 shall be allocated through a competitive grant procedure to applicant
10 intermediate districts for planning, technical assistance, and
11 implementation of "technologically enhanced curricula choices" programs
12 to be known as "tec-choices" programs. The amount of each grant shall be
13 not less than \$50,000.00 nor more than \$150,000.00.

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

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

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

20 (c) Use of interactive television.

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

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

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

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

(h) Inclusion of districts receiving state school aid allocated under section 1021(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.

Sec. 1023c. (1) The funds appropriated in section 101 for university schools shall be allocated by a competitive grant process to applicant public universities to plan for operating an instructional program 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, 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

1 eligible to attend the instructional program.

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

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

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

11 (4) The department shall review and approve applications for funding
12 and shall respond to each university that receives a grant with a
13 detailed summary report of the department's comments and suggestions
14 regarding the proposed instructional program.

15 (5) If the operation of an instructional program under this section
16 is not a joint venture with a district, the university shall receive for
17 each pupil enrolled and attending an amount equal to the average gross
18 allowance in the intermediate district in which the pupil resides.

19 (6) An instructional program receiving funding under this section
20 shall comply with all of the requirements of sections 1204a, 1233, 1233b,
21 1277, 1278, and 1280 of the school code of 1976, being sections
22 380.1204a, 380.1233, 380.1233b, 380.1277, 380.1278, and 380.1280 of the
23 Michigan Compiled Laws.

24 (7) A public university receiving funding for an instructional program
25 under this section is subject to sections 1017b and 1019 and is otherwise
26 eligible for all applicable categorical and federal aid.

27 Sec. 1023d. The funds appropriated in section 101 for charter schools
28 shall be made available through a competitive grant process for planning
29 and implementation grants. A charter school shall be based on a contract

1 between a faculty of certified teachers and administrators and a
2 publicly-elected body. The contract shall specify standards and outcomes
3 for which the school will be held accountable and provide for a fair and
4 equitable admissions process. Standards and outcomes shall include, at
5 a minimum, all outcomes and requirements required by P.A. 25 of 1990.
6 A charter may be granted by a local board of education based upon
7 requirements approved by the state board of education or by the state
8 board of education. Funding for a charter school shall be allocated at
9 the level of the state average per pupil expenditure or the per pupil
10 expenditure for the host district, whichever is greater.

11 Sec. 1024. (1) The funds appropriated in section 101 for court-placed
12 children are for any pupil under court jurisdiction who is placed in a
13 private home or in a private or public institution located outside the
14 district in which the pupil's parents or legal guardians reside may be
15 counted as a resident of the district of attendance if other than the
16 district of the pupil's parents or legal guardian. The pupil shall be
17 counted by the district of attendance as 1-1/2 memberships. The total
18 membership of these pupils shall be computed by adding the membership
19 days attended by the pupils before April 1 of the current school year and
20 dividing the total by the number of days in the school year of the
21 district before April 1 of the current school year. Except as provided
22 in subsection (2), the membership thus obtained shall be certified by the
23 district to the department, which shall adjust the total membership of
24 the district accordingly in determining the school aid to be paid during
25 the current fiscal year.

26 (2) In districts not receiving aid allocated under section 1021(1),
27 the membership for these students shall be counted in membership in the
28 intermediate district. For each pupil, the intermediate district shall
29 be allocated under section 1021(1) a membership aid gross allowance

1 computed by averaging the actual membership aid gross allowances of the
2 intermediate district's constituent districts weighted as to membership.
3 The resulting membership aid shall be paid by the intermediate district
4 to the district.

5 (3) Intermediate districts operating programs for children in homes
6 operated by the juvenile division of the probate court under section 628
7 of the school code of 1976, being section 380.628 of the Michigan
8 Compiled Laws, are allowed 1-1/2 memberships using the formula described
9 in subsection (1) and shall receive membership aid as computed under
10 subsection (2). Funds received under this section may be used to employ
11 regular education personnel employed to meet the educational needs of
12 these pupils.

13 (4) Special education pupils funded under section 1053 shall not be
14 counted under this section.

15 Sec. 1026. For purposes of computations made under this act, the
16 valuation of a district or intermediate district shall not include the
17 captured assessed value included in a tax increment financing plan
18 established within the district or intermediate district pursuant to Act
19 No. 197 of the Public Acts of 1975, as amended, being sections 125.1651
20 to 125.1681 of the Michigan Compiled Laws, the tax increment finance
21 authority act, Act No. 450 of the Public Acts of 1980, being sections
22 125.1801 to 125.1830 of the Michigan Compiled Laws, or the local
23 development financing act, Act No. 281 of the Public Acts of 1986, being
24 sections 125.2151 to 125.2174 of the Michigan Compiled Laws. A district
25 or intermediate district receiving money pursuant to section 14 of Act
26 No. 197 of the Public Acts of 1975, as amended, being section 125.1664
27 of the Michigan Compiled Laws, section 13 of Act No. 450 of the Public
28 Acts of 1980, being section 125.1813 of the Michigan Compiled Laws, or
29 section 12 of Act No. 281 of the Public Acts of 1986, being section

1 125.2162 of the Michigan Compiled Laws, shall have its funds allocated
2 under section 1021(1), 1056, or 1062 reduced by an amount equal to the
3 added local money.

4 Sec. 1027. (1) The funds appropriated in section 101 for low income
5 are allocated to districts that meet all of the following criteria:

6 (a) The district levied not less than 20 mills and levied not less
7 than the district's authorized millage rate for school operating purposes
8 after any reduction required by section 31 of article IX of the state
9 constitution of 1963 in the three immediately preceding state fiscal
10 years.

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

20 (c) The district does not receive membership aid allocated under
21 section 1021(1).

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

29 (2) Each district is entitled under this section to \$1.00 per pupil

1 for each \$1.00 that the district's average adjusted gross income per
2 pupil is below 75% of the state average adjusted gross income per pupil.
3 However, the allocation per pupil provided under this section, when
4 combined with the sum of the per pupil allocation under section 1021(1)
5 calculated using the millage utilized for computing the gross allowance
6 in 1991-92 and the product of the district's state equalized valuation
7 behind each membership pupil utilized for computing the gross allowance
8 in 1992-93 and the millage utilized for computing the gross allowance in
9 1991-92, shall not exceed \$3,400.00 per pupil.

10 (3) As used in this section, "state average adjusted gross income per
11 membership pupil" means the valid sum of the adjusted gross income of all
12 districts, as certified by the department of treasury, divided by the
13 total state pupil membership reported for 1991-92.

14 (4) The funds appropriated in section 101 for low income are, in
15 addition to the purposes set forth in (1), (2) and (3) above, available
16 for reallocation as necessary to all districts for whom the annual
17 negative change in per pupil revenue from state and local sources, as
18 adjusted by the index of tax base and tax effort in section 1021 (1),
19 exceeds the 5 percent per pupil adjusted revenue limit set forth in
20 section 1021 (1).

21 Sec. 1030. (1) The funds appropriated in section 101 for MEAP school
22 incentives are allocated to eligible public schools for achievement
23 incentive grants to reward improvement in pupil academic performance.

24 (2) Improvement in pupil academic performance over a two-year period
25 shall be calculated by the department for each public school on the basis
26 of pupil test scores on the Michigan education assessment program for
27 reading and mathematics. The department shall include as part of the
28 calculation of improvement for each public school an academic need factor
29 for reading and mathematics.

1 (3) Allocations to individual public schools shall be determined by
2 the department on the basis of improvement in pupil academic performance
3 over a two-year period and academic need.

4 (4) Allocations to individual public schools under this section shall
5 not supplant any other allocations made to the schools from local, state,
6 or federal funds.

7 Sec. 1031. The funds appropriated in section 101 for compensatory
8 education are allocated to enable eligible districts to establish or to
9 continue, in conjunction with whatever federal funds may be available
10 under chapter 1 of the Hawkins-Stafford elementary and secondary school
11 improvement amendments of 1988, Public Law 100-297, comprehensive
12 compensatory education programs designed to improve the achievement in
13 basic cognitive skills of pupils enrolled in grades K to 10 who have
14 extraordinary need for special assistance to improve competency in those
15 basic skills.

16 Sec. 1032. A district shall not receive less than 80% of the amount
17 it received for compensatory education under this article during the
18 immediately preceding year. However, a district shall not receive funding
19 under this subsection for more than 5 consecutive years. This subsection
20 shall only apply until September 30, 1995.

21 Sec. 1034. A district is eligible for an allocation under this section
22 if the district's low income eligibility count for purposes of allocating
23 federal funds under chapter 1 of the Hawkins-Stafford elementary and
24 secondary school improvement amendments of 1988, Public Law 100-297,
25 exceeds 15% of the district's membership. Each district's allocation
26 shall be determined as follows: divide the number of low income chapter
27 1 eligible pupils in the district by the total number of those pupils in
28 all eligible districts and multiply that quotient by an amount equal to
29 the amount allocated in section 1031 minus the allocation to eligible

1 districts under section 1032. However, if a district's allocation under
2 this section is determined to be less than \$3,000.00, the district shall
3 not receive an allocation under this section.

4 Sec. 1035. (1) The tentative allocations as determined in section 1034
5 shall be distributed among districts if:

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

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

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

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

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

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

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

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

29 (2) A district shall use the state funds for specifically identified

1 pupils to supplement, and not supplant, the use of federal or local
2 money.

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

8 (4) The department shall monitor each program funded under this
9 article to ensure that the requirements of this section are met. A
10 district subjected to a deduction under section 1021(5) shall not be
11 required to allocate more to a program funded under this article than an
12 amount per eligible pupil that bears the same relation to the amount
13 specified in section 1031 as the amount actually received by the district
14 under all sections of this act, other than sections 1053 and 1143, bears
15 to the amount that would have been due the district under all sections
16 of this act other than sections 1053 and 1143 before the section 1021(5)
17 deduction.

18 Sec. 1036. The funds appropriated in section 101 for early childhood
19 preschool education are allocated to enable eligible districts to develop
20 or expand, in conjunction with whatever federal funds may be available
21 under title I of the elementary and secondary education act of 1965,
22 Public Law 89-750, 80 Stat. 1196, and the head start act, subchapter B
23 of chapter 8 of subtitle A of title VI of Public Law 97-35, 42 U.S.C.
24 9831 to 9852, comprehensive compensatory education programs designed to
25 improve the readiness and subsequent achievement of educationally
26 disadvantaged children as defined by the department who will be at least
27 4, but less than 5 years of age, as of December 1 of the school year in
28 which the programs are offered, who have extraordinary need of special
29 assistance. A comprehensive compensatory education program funded under

1 this section may include health screening for participating children and
2 the district may use funds received under this section to fund that
3 health screening.

4 Sec. 1037. A district is eligible for an allocation under section 1036
5 if, in a manner and on forms prescribed by the department, all of the
6 following apply:

7 (a) The district complies with the state board approved standards of
8 quality and curriculum guidelines for early childhood programs for
9 4-year-olds.

10 (b) The district provides for the active and continuous participation
11 of parents or guardians of the children in the program, and describes the
12 district's participation plan as part of the application.

13 (c) The district employs either of the following:

14 (i) Teachers possessing proper training, including, but not limited
15 to, a valid teaching certificate and an early childhood (ZA) endorsement.
16 This provision does not apply to a district that subcontracts with an
17 eligible child development program. In that situation a teacher must
18 have a valid teaching certificate and may have a child development
19 associate credential (CDA) instead of an early childhood (ZA)
20 endorsement.

21 (ii) Paraprofessionals possessing proper training in early childhood
22 development, including, but not limited to, a child development associate
23 credential (CDA) or associate degree in child development or other
24 similar program, as approved by the department.

25 (d) The district identifies in its application all early childhood
26 development programs operating in the community and all collaborative
27 activities between the district and other operators of early childhood
28 development programs.

29 (e) The district has submitted for approval a program budget that

1 includes only those costs not reimbursed, or reimbursable by federal
2 funding, that are clearly and directly attributable to the early
3 childhood readiness program, and that would not be incurred if the
4 program were not being offered. If children other than those determined
5 to be educationally disadvantaged participate in the program, state
6 reimbursement under section 1036 shall be limited to the portion of
7 approved costs attributable to educationally disadvantaged children.

8 (f) The district has established a committee on early childhood
9 education curriculum consisting of, at a minimum, classroom teachers for
10 prekindergarten, kindergarten, and first grade, a parent of a
11 prekindergarten child, the district curriculum director or equivalent
12 administrator, and, if feasible, a school psychologist, school social
13 worker, or school counselor. The committee shall do both of the
14 following:

15 (i) Ensure the ongoing articulation of the early childhood,
16 kindergarten, and first grade programs offered by the district.

17 (ii) Review all referrals for participation in the early childhood
18 program and recommend children for placement.

19 (g) The district has submitted for departmental approval a plan to
20 conduct and report annual early childhood program evaluations using
21 criteria approved by the department. At a minimum, the evaluations shall
22 include assessment of the gains in educational readiness and progress
23 through first grade of children participating in the early childhood
24 program.

25 (h) The district has established a community advisory committee that
26 shall be involved in the planning and evaluation of the program and has
27 provided for collaboration with and the involvement of appropriate
28 community, volunteer, social service agencies and organizations, and
29 parents in addressing all aspects of educational disadvantage.

1 (i) The district reviews and, if necessary, restructures all programs
2 funded under section 1031 for the purpose of ensuring that gains achieved
3 in programs funded under section 1036 are maintained and reinforced. •

4 (j) At least 18 of the district's resident children of the age group
5 specified in section 1036, as described in section 1036 and calculated
6 under section 1038, are construed to be in need of special readiness
7 assistance. A district that receives an allocation under section 1021(1)
8 shall also be eligible for an allocation under section 1036 if at least
9 50 children, as described in section 1036 and calculated under section
10 1038, are construed to be in need of special readiness assistance,
11 regardless of the percentage they comprise of the district's resident
12 children of the age group specified in section 1036. In addition, a
13 consortium of 2 or more districts shall be eligible for an allocation
14 under section 1036 if each of those districts has less than 18 but more
15 than 5 of its resident children of the age group specified in section
16 1036, as described in section 1036 and calculated under section 1038, and
17 in combination the districts' number of children who are construed to be
18 in need of special readiness assistance equals or exceeds 18. A district
19 or intermediate district may administer a consortium described in this
20 subdivision.

21 Sec. 1038. The number of prekindergarten children construed to be in
22 need of special readiness assistance under section 1036 shall be
23 calculated for each district in the following manner: one half of the
24 percentage of the district's pupils who are eligible for free lunch, as
25 determined by the district's October count in the immediately preceding
26 school year under the national school lunch act, chapter 281, 60 Stat.
27 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766a, and 1769
28 to 1769e shall be multiplied by the average kindergarten enrollments of
29 the district on the pupil membership count day or days of the 2

1 immediately preceding years.

2 Sec. 1039. (1) The tentative allocation to each eligible district
3 under section 1036 shall be determined by multiplying the number of
4 children determined in section 1038 by \$2,500.00 and shall be distributed
5 among districts in decreasing order of concentration of eligible children
6 as determined by section 1038 until the money allocated in section 1036
7 is distributed. Not later than October 1, each eligible district shall
8 submit to the department a resolution adopted by its board certifying the
9 number of 4-year-old children who will receive comprehensive compensatory
10 education funded under this section. Any tentative allocation
11 subsequently shall be adjusted based in part on the number of children
12 certified in the board resolution. Any funds unallocated shall be
13 redistributed to eligible districts pursuant to this section.

14 (2) A district that receives an allocation under section 1021(1) and
15 that has not less than 50 eligible children shall receive priority over
16 other eligible districts other than those districts funded under
17 subsection (3).

18 (3) An eligible district that received funds under this section in at
19 least one of the two immediately preceding state fiscal years shall
20 receive priority in funding over other eligible districts.

21 (4) For any district with 315 or more eligible pupils, the number of
22 eligible pupils shall be 55% of the number calculated under section 1038.
23 However, none of these districts may have less than 315 pupils for
24 purposes of calculating the tentative allocation under section 1036.

25 Sec. 1039a. The funds appropriated in section 101 for extended day
26 kindergarten for at-risk students shall be made available through a
27 competitive application process as follows:

28 (a) Priority shall be given to a school district receiving funding
29 from section 101 for the local district membership formula, which is

1 currently operating an early childhood preschool education program funded
2 under this act or operated an early childhood preschool education program
3 in the immediately preceding school year.

4 (b) Eligible pupils shall be kindergartners who are eligible for free
5 lunch, under the national school lunch act, chapter 281, 60 stat. 230,
6 42 U.S.C. 1751 to 1753, 1755 to 1763, and 1761, 1762a, 1765 to 1769c,
7 1766a, and 1769 to 1769e.

8 (c) Grants shall be expended for expenses related to student contact
9 hours provided in addition to regular classroom hours to improve the
10 readiness and subsequent achievement of at-risk kindergartners, as
11 defined in (b) above.

12 (d) Applications must contain an evaluation plan to assess the impact
13 of the program on pupil academic readiness.

14 (e) Applications shall be submitted in a form and manner as required
15 by the department.

16 (f) The state board of education shall have maximum administrative
17 discretion in making grant awards, however, priority shall be given to
18 applications with the lowest cost per student contact hour.

19 Sec. 1041. The funds appropriated in section 101 for bilingual
20 education are allocated to applicant districts and intermediate districts
21 offering programs of bilingual instruction for pupils of limited
22 English-speaking ability as required in section 1153 of the school code
23 of 1976. Reimbursement shall be on a per pupil basis and shall be based
24 on the number of pupils of limited English-speaking ability in membership
25 on the pupil membership count day. Funds allocated under this section
26 shall be used solely for the bilingual instruction in speaking, reading,
27 writing, or comprehension of pupils of limited English-speaking ability.
28 As required by section 1155 of the school code of 1976, a child of
29 limited English-speaking ability residing in a school district operating

1 or participating in a bilingual instruction program pursuant to section
2 1153 of the school code of 1976 shall be enrolled in the bilingual
3 instruction program for 3 years or until the child achieves a level of
4 proficiency in English language skills sufficient to receive an equal
5 educational opportunity in the regular school program, whichever occurs
6 first.

7 Sec. 1042. The funds appropriated in section 101 for tutoring
8 services for K-2 shall be made available through a competitive grant
9 process as follows:

10 (a) An applicant shall be a local school district receiving funding
11 from section 101 appropriated for the local district membership formula.

12 (b) Students participating in the program shall be enrolled, but not
13 necessarily in daily attendance, in kindergarten through second grade.
14 Students shall be eligible for the program based upon a teacher's written
15 assessment that without tutoring services the student will not meet the
16 academic goals contained in the school district's core curriculum for the
17 age-appropriate grade level.

18 (c) Grants may be used to pay for tutor compensation, tutor travel
19 and other necessary expenditures directly related to providing tutoring
20 services. Applicants may contract with a private nonprofit legal entity
21 to provide tutoring services.

22 (d) Applications must contain a procedure for obtaining parent or
23 guardian approval in order for the student to participate in the program.

24 (e) Applications shall contain an evaluation plan which shall assess
25 the progress made by students participating in the program toward
26 achieving the academic goals contained in the school district's core
27 curriculum for the age-appropriate grade level.

28 (f) The state board of education shall have maximum administrative
29 discretion in making grant awards, however, priority shall be given to

1 applicants who demonstrate the lowest cost per student contact hour.

2 (g) Applications shall be submitted in a form and manner as required
3 by the department.

4 Sec. 1045. (1) The funds appropriated in section 101 for school health
5 curriculum are allocated to provide grants to or contract with certain
6 districts and intermediate districts for the provision of a school health
7 education curriculum. Provision of the curriculum, such as the Michigan
8 model or another comprehensive school health education curriculum, shall
9 be in accordance with the health education goals established by the
10 Michigan model for comprehensive school health education state steering
11 committee. The state steering committee shall be comprised of a
12 representative from each of the following offices and departments:

13 (a) The department of education.

14 (b) The department of mental health.

15 (c) The department of public health.

16 (d) The office of substance abuse services in the department of public
17 health.

18 (e) The department of social services.

19 (f) The department of state police.

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

1 Sec. 1046. The funds appropriated in section 101 for a dropout
2 preventions program are allocated to provide grants to districts and
3 intermediate districts for school dropout prevention programs approved
4 by the department. Each district and intermediate district that received
5 funds under this section in the immediately preceding state fiscal year
6 shall receive funds under this section to continue the district's
7 department-approved program.

8 Sec. 1047. (1) The funds appropriated in section 101 for academically
9 talented are allocated to applicant intermediate districts that provide
10 support services for the education of gifted and talented pupils. An
11 intermediate district is entitled to 75% of the actual salary, but not
12 to exceed \$25,000.00 reimbursement for an individual salary, of a support
13 services teacher approved by the department, and not to exceed \$4,000.00
14 reimbursement for expenditures to support program costs, excluding
15 in-county travel and salary, as approved by the department.

16 (2) From the amount appropriated in section 101 for academically
17 talented, there is allocated an amount not to exceed \$400,000.00 to
18 support part of the cost of summer institutes for gifted and talented
19 students. This amount shall be contracted to applicant intermediate
20 districts in cooperation with a local institution of higher education and
21 shall be coordinated by the department.

22 (3) From the amount appropriated in section 101 for academically
23 talented, there is allocated an amount not to exceed \$7,303,100.00 for
24 the development and operation of comprehensive programs for gifted and
25 talented pupils. A district or consortium of districts may be eligible
26 to receive an amount not to exceed \$100.00 per K-12 pupil for up to 5%
27 of the district's or consortium's K-12 membership with a minimum grant
28 of \$6,000.00. Funding shall be provided in the following order: the per
29 pupil allotment, and then the minimum grant of \$6,000.00 to individual

1 districts. An intermediate district may act as the fiscal agent for a
2 consortium of districts. In order to be eligible for funding under this
3 subsection, the district or consortium of districts shall submit each
4 year a current 3-year plan for operating a comprehensive program for
5 gifted and talented pupils. The plan or revised plan shall be developed
6 in accordance with criteria established by the department and shall be
7 submitted to the department for approval. Within the criteria, the
8 department shall encourage the development of consortia among districts
9 of less than 5,000 memberships.

10 Sec. 1048. The funds appropriated in section 101 for alternative
11 education are allocated to applicant districts or intermediate districts
12 for nonresidential alternative juvenile rehabilitation programs, which
13 are programs for children and youth who have been found to need remedial
14 academic or social rehabilitative services, or both. To be eligible for
15 funding of salaries from legislative appropriations, the county board of
16 commissioners of the county in which the program is conducted or the
17 supervising district or intermediate district, by resolution, shall agree
18 to fund the balance of the cost of the program. The district or
19 intermediate district in which the program is conducted, in cooperation
20 with the juvenile division of the probate court for the county, shall
21 supervise the program. The district or intermediate district may apply
22 for state money for reimbursement of \$7,500.00 for the salary of each
23 professional program person required by this section.

24 Sec. 1051. (1) Funds appropriated in section 101 for special education
25 consist of an amount not to exceed \$121,355,000.00 from state sources and
26 \$62,400,000.00 in federal funding under sections 611 to 620 of the
27 education of the handicapped act, title VI of Public Law 91-230, 20
28 U.S.C. 1411 to 1420, plus any carryover federal funds from previous year
29 appropriations, for the purpose of reimbursing districts and intermediate

1 districts for special education programs, services, and special education
2 personnel as prescribed in article 3 of the school code of 1976; net
3 tuition payments made by intermediate districts to the Michigan school
4 for the blind and the Michigan school for the deaf; and programs for
5 pupils handicapped by learning disabilities as defined by the department.
6 For meeting the costs of special education programs and services not
7 reimbursed under this article, a district or intermediate district may
8 use money in general funds or special education funds, not otherwise
9 restricted, or contributions from districts to intermediate districts,
10 tuition payments, gifts and contributions from individuals, or federal
11 funds that may be available for this purpose, as determined by the
12 intermediate district plan prepared pursuant to article 3 of the school
13 code of 1976, being sections 380.1701 to 380.1766 of the Michigan
14 Compiled Laws.

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

21 (3) From the funds appropriated in section 101 for special education,
22 there is allocated an amount not to exceed \$3,100,000.00 to reimburse
23 100% of the net increase in necessary costs incurred by a district or
24 intermediate district in implementing the revisions in the administrative
25 rules for special education that became effective on July 1, 1987. As
26 used in this subsection, "net increase in necessary costs" means the
27 necessary additional costs incurred solely because of new or revised
28 requirements in the administrative rules minus cost savings permitted in
29 implementing the revised rules. Net increase in necessary costs shall be

1 determined in a manner specified by the department.

2 (4) For purposes of this article:

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

10 (b) "Total approved costs of special education programs and services"
11 shall be determined in a manner specified by the department and may
12 include indirect costs, but shall not exceed 115% of approved direct
13 costs for section 1052 and section 1053 programs. They shall not include
14 salaries or other compensation paid to administrative personnel who are
15 not special education personnel as defined in section 6(6) of the school
16 code of 1976. Costs reimbursed by federal funds, other than those federal
17 funds included in the allocation made under this article, shall not be
18 included. Special education approved personnel not utilized full time in
19 the evaluation of students or in the delivery of special education
20 programs, ancillary, and other related services shall be reimbursed under
21 this section only for that portion of time actually spent providing these
22 programs and services, with the exception of special education programs
23 and services provided to youth placed in juvenile detention facilities
24 as defined in R 340.1757 of the Michigan administrative code. Only
25 salaries and other compensation paid teacher aides required in rules
26 promulgated by the department or as otherwise approved by the department
27 shall be included.

28 (c) Reimbursement for ancillary and other related services, as defined
29 by R 340.1701 of the Michigan administrative code, shall not be provided

1 when those services are covered and available by private group health
2 insurance carriers or federally reimbursed program sources. Expenses,
3 other than the incidental expense of filing, shall not be borne by the
4 parent. In addition, the filing of claims shall not delay the education
5 of a pupil. A school district shall be responsible for payment of a
6 deductible amount and for an advance payment required until the time a
7 claim is paid.

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

11 (i) If the district receives an allocation under section 1021(1) and
12 the pupil is educated in a district not receiving an allocation under
13 section 1021(1), by subtracting categorical aid and the intermediate
14 district reimbursement for each pupil from the total cost of the
15 education program.

16 (ii) If the district receives an allocation under section 1021(1) and
17 the pupil is educated in a district receiving an allocation under section
18 1021(1), by subtracting the gross state aid membership allowance,
19 categorical aid, and the intermediate district reimbursement for each
20 pupil from the total cost of the education program.

21 (iii) If the district does not receive an allocation under section
22 1021(1), by subtracting categorical aid and the intermediate district
23 reimbursement for each pupil from the total cost of the education
24 program.

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

29 (6) If a district or intermediate district uses money received under

1 this section for a purpose other than the purpose or purposes for which
2 the money is allocated, the department may require the district or
3 intermediate district to refund the amount of money received. Money which
4 is refunded shall be deposited in the state treasury to the credit of the
5 school aid fund.

6 Sec. 1051a. The funds appropriated in section 101 for ISD special
7 education membership are allocated to intermediate school districts for
8 those pupils counted in membership in the intermediate district. A
9 "membership aid gross allowance" shall be computed pursuant to section
10 1021(1). A pupil who is enrolled in a full-time special education
11 program conducted or administered by an intermediate district or a pupil
12 who is enrolled in the Michigan school for the blind or the Michigan
13 school for the deaf shall not be included in the membership count of a
14 district, but shall be counted in membership in the intermediate district
15 of residence. A district operating a center program for pupils from
16 several districts, pursuant to an approved intermediate district plan,
17 may elect to have the pupils counted in membership in the intermediate
18 district. For each pupil, the intermediate district shall be allocated
19 under section 1021(1) a membership aid gross allowance computed by
20 averaging the actual membership aid gross allowances of the intermediate
21 district's constituent districts weighted as to membership. However,
22 membership aid shall not be paid to intermediate districts for pupils who
23 are residents of districts not receiving a membership allocation under
24 section 1021(1) and who are enrolled in programs funded under section
25 1052, unless they are enrolled in a center program or are eligible as
26 court placed pupils under section 1024(2).

27 Sec. 1052. (1) Reimbursement shall be a portion determined by the
28 amount appropriated in section 101 for special education, but not to
29 exceed 75% of the added costs of operating special education programs and

1 services approved by the department and included in the intermediate
2 district plan adopted pursuant to article 3 of the school code of 1976
3 for special education pupils other than those programs funded under
4 section 1053, and of the costs of programs and services for trainable
5 mentally impaired persons, day training programs, and services for
6 severely mentally impaired persons, the added costs of summer programs
7 and services, and the added costs of providing room and board for special
8 education pupils, as approved by the department. If the state financed
9 proportion of reimbursement of the necessary costs of a special education
10 activity or service required by article 3 of the school code of 1976,
11 which is in addition to or different from the special education
12 activities or services required under sections 611 to 620 of the
13 education of the handicapped act, 20 U.S.C. 1411 to 1420, is less than
14 the state financed proportion of the necessary costs of that activity or
15 service in 1978-79, the portion of the amount appropriated shall be
16 increased to reimburse that activity or service accordingly.

17 (2) The added costs of transportation for special education pupils
18 shall not be funded under this section but shall be reimbursed under the
19 transportation appropriation.

20 Sec. 1053. (1) The funds appropriated in section 101 for special
21 education shall include the reimbursement of 100% of the added costs of
22 operating special education programs and services approved by the
23 department and included in the intermediate district plan adopted
24 pursuant to article 3 of the school code of 1976, being sections 380.1701
25 to 380.1766 of the Michigan Compiled Laws, but not to exceed
26 \$24,000,000.00, for the following special education pupils:

27 (a) Pupils assigned to a district or intermediate district through the
28 community placement program of the courts or a state agency, if the pupil
29 was a resident of another intermediate district at the time the pupil

1 came under the jurisdiction of the court or a state agency.

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

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

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

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

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

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

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

20 (2) The costs of transportation shall be funded under this section but
21 shall not be reimbursed under the transportation appropriation.

22 Sec. 1054. Each intermediate district shall receive an amount per
23 pupil for each pupil in attendance at the Michigan school for the blind
24 or the Michigan school for the deaf. The amount shall be proportionate
25 to the total instructional cost at each school. Not more than
26 \$1,688,000.00 of the funds appropriated in section 101 for special
27 education shall be allocated under this section.

28 Sec. 1056. (1) For the purposes of this section:

29 (a) "Membership" means the total membership of the intermediate school

1 and the districts constituent to the intermediate district.

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

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

11 (2) The funds appropriated in section 101 for ISD special education
12 millage reimbursement are to reimburse intermediate districts levying
13 millages for special education pursuant to part 30 of the school code of
14 1976. The purpose, use, and expenditure of the reimbursement shall be
15 limited as if the funds were generated by these millages and governed by
16 the intermediate district plan adopted pursuant to article 3 of the
17 school code of 1976. As a condition of receiving funds under this
18 section, an intermediate district distributing any portion of special
19 education millage funds to its constituent districts shall submit for
20 departmental approval and implement a distribution plan that utilizes at
21 least a membership aid gross allowance, as defined in section 1051(4)(d),
22 as a required local contribution.

23 (3) Reimbursement for those millages levied in the immediately
24 preceding state fiscal year shall be made in the current state fiscal
25 year at an amount computed by subtracting from \$79,100.00 the state
26 equalized valuation behind each membership pupil in the immediately
27 preceding state fiscal year, and multiplying the resulting difference by
28 the millage levied for the immediately preceding state fiscal year,
29 except that allocations shall be prorated as necessary by the department.

1 Sec. 1061. (1) The funds appropriated in section 101 for vocational
2 education are to reimburse districts and secondary-level
3 vocational-technical education programs, including parenthood education
4 programs, on an added cost basis. The definition of what constitutes
5 those programs and reimbursement shall be pursuant to rules promulgated
6 by the state board. Applications for participation in the programs shall
7 be filed in the form prescribed by the department. The department shall
8 determine the added cost for each vocational-technical program area. The
9 allocation of added cost funds shall be based on the type of
10 vocational-technical programs provided, the number of pupils enrolled,
11 and the length of the training period provided, and shall not exceed 75%
12 of the added cost of any program. The board of a district maintaining a
13 secondary vocational-technical education program, with the approval of
14 the department, may offer the program for the period from the close of
15 the school year until September 1. The program shall use existing
16 facilities and shall be operated as prescribed by rules promulgated by
17 the state board.

18 (2) Districts and intermediate districts shall be reimbursed for local
19 vocational administration, shared time vocational administration, and
20 career education planning district vocational-technical administration.
21 The definition of what constitutes administration and reimbursement shall
22 be pursuant to guidelines adopted by the state board. Not more than
23 \$800,000.00 of the funds appropriated in section 101 for vocational
24 education shall be distributed under this subsection.

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

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

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

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

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

14 Sec. 1062. (1) For the purposes of this section:

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

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

24 (c) "State equalized valuation" means the total state equalized
25 valuation of the districts constituent to an intermediate district or
26 area vocational-technical education program, except that if a district
27 has elected not to come under sections 681 to 690 of the school code of
28 1976, the membership and state equalized valuation of the district shall
29 not be included in the membership and state equalized valuation of the

1 intermediate district.

2 (2) The funds appropriated in section 101 for ISD vocational education
3 millage reimbursement are to reimburse intermediate districts and area
4 vocational-technical education programs established under section 690 (3)
5 of the school code of 1976, levying millages for area vocational-
6 technical education pursuant to sections 681 to 690 of the school code
7 of 1976. The purpose, use, and expenditure of the reimbursement shall be
8 limited as if the funds were generated by those millages.

9 (3) Reimbursement for the millages levied for the immediately
10 preceding state fiscal year shall be made in the current state fiscal
11 year at an amount computed by subtracting from \$79,100.00 the state
12 equalized valuation behind each membership pupil for the immediately
13 preceding state fiscal year, and multiplying the resulting difference by
14 the millage levied for the immediately preceding state fiscal year,
15 except that allocations shall be prorated as necessary by the department.

16 Sec. 1064. (1) A district may provide adult education or vocational
17 education training, or both, in partnership with a business entity. Such
18 a district may receive adult education or vocational education funds,
19 under this act only if there is a contract between the district and the
20 business entity that includes at least all of the following terms and
21 conditions:

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

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

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

1 (d) The business partner will guarantee a predetermined number of
2 specified jobs and bona fide offers of job placement that are directly
3 related to the pupil's area of training for partnership pupils. The jobs
4 shall be for a minimum period of 180 days. The business partner will not
5 be obligated to provide a job or an offer for a pupil who completes a
6 job-skills training program but is unable to attain the specific training
7 objectives described in subdivision (c) or for a pupil who declines a
8 bona fide offer of job placement.

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

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

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

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

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

27 (6) The department shall maintain a current record of all partnership
28 contracts and contract revisions, and shall require districts to provide
29 additional reports as necessary for the department to administer this

1 section. A district shall provide those reports to the department.

2 Sec. 1071. (1) The funds appropriated in section 101 for
3 transportation are allocated to fund districts and intermediate districts
4 transporting pupils by school bus, passenger van, station wagon, or
5 adequate vehicle of ample capacity from the vicinity of their homes to
6 the schools the pupils attend, or from their homes or schools to area
7 vocational centers or other facilities providing approved occupational
8 or cooperative academic programs and back again in amounts determined by
9 the department and for school fiscal year 1989-90 adjustments approved
10 by the department under section 1072(3). Funding for contracted
11 transportation services or transportation services provided through the
12 use of public transit systems shall be the same as for district-owned bus
13 fleets. In order to receive funding under this section, as calculated
14 under section 1072, a district or intermediate district annually shall
15 submit not later than January 15 an application to the department on a
16 form and in a manner prescribed by the department. The application shall
17 include at least information concerning the factors listed in section
18 1072(1). The department shall not make a payment under this section to
19 a district or intermediate district until the district or intermediate
20 district has submitted the application for the state fiscal year.

21 (2) Districts and intermediate districts shall receive funds for
22 transporting pupils whose primary educational or training program, as
23 determined by the department, is a special education program as defined
24 in section 6(7) of the school code of 1976, being section 380.6 of the
25 Michigan Compiled Laws, from their homes or schools to approved special
26 education programs, including summer programs, for which the district or
27 intermediate district receives added-cost reimbursement under section
28 1052, and back again.

29 (3) Upon investigation, the department shall review, confirm, set

1 aside, or amend the action, order, or decision of the board of a district
2 with reference to the routes over which the pupils shall be transported,
3 the distance the pupils shall be required to walk, and the suitability
4 and number of vehicles and equipment for the transportation of the
5 pupils.

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

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

14 Sec. 1072. (1) Funds appropriated in section 101 for transportation
15 are based upon an allowance for each pupil transported and calculated for
16 each district and intermediate district by the department on the basis
17 of all of the following factors:

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

20 (i) Transportation staff per 100 pupils transported.

21 (ii) Bus fleet capacity per pupil transported.

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

24 (i) Transportation staff salary.

25 (ii) Regional cost variation.

26 (c) An amortization cost per pupil of 100% of cost, with a minimum of
27 \$20.00 per pupil, for pupil transportation vehicles.

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

1 (e) Authorized miles traveled per pupil of \$1.00 per mile, with an
2 adjustment for districts with low mileage per pupil such that the \$1.00
3 may be increased on a sliding scale up to \$1.20 per mile. The allocation
4 is based upon current year data reported by the districts and
5 intermediate districts. Special education transportation aid is
6 calculated separately and uses the vehicle as the funding unit. The total
7 transportation allowance for a district is calculated by multiplying the
8 sum of (a), (b), (c), (d), and (e) by the number of pupils actually
9 transported. The rate of aid for contracted transportation services or
10 transportation services provided through the use of public transit
11 systems is comparable for district-owned bus fleets.

12 (2) Districts and intermediate districts may apply to the department
13 for exceptions to the district's formula transportation allowance
14 regarding the costs of transporting pupils when exceptional conditions
15 or circumstances impose unavoidably unusual expenses for transporting
16 district students to their regularly scheduled classes.

17 Sec. 1073. (1) The funds appropriated in section 101 for schools of
18 choice transportation are for applicant districts which implement an in-
19 district schools of choice program pursuant to section 1023a and/or which
20 participate in an intermediate district schools of choice program
21 pursuant to section 1091. To be eligible to receive funds under this
22 section, no later than October 31, 1992, the district shall submit an
23 application to the department on a form and in a manner prescribed by the
24 department.

25 (2) The amount to be paid under this section shall be calculated by
26 multiplying the district's 1991-92 total allocation under section 1071,
27 as calculated under section 1072, by 20 percent. If a district
28 implements an in-district schools of choice program and also participates
29 in an intermediate district schools of choice program, the amount to be

1 paid under this section shall be calculated by multiplying the district's
2 1991-92 total allocation under section 1071, by 40 percent.

3 (3) If a district did not receive funds under section 1071 in 1991-92
4 and the district implements an in-district schools of choice program or
5 participates in an intermediate district schools of choice program, the
6 amount to be paid under this section shall be calculated by multiplying
7 the district's 1992-93 total allocation under section 1071 by 20 percent.
8 If a district did not receive funds under section 1071 in 1991-92 and the
9 district implements an in-district schools of choice program and also
10 participates in an intermediate district schools of choice program, the
11 amount to be paid under this section shall be calculated by multiplying
12 the district's 1992-93 total allocation under section 1071 by 40 percent.

13 Sec. 1074. Funds appropriated in section 101 for transportation
14 include allocations for state supported college or university or
15 intermediate school district providing school bus driver safety
16 instruction pursuant to section 51 of Act No. 187 of the Public Acts of
17 1989, as amended, being section 257.1851 of the Michigan Compiled Laws,
18 shall be granted an amount determined by the department not to exceed 75%
19 of the actual cost of instruction and driver compensation for each public
20 or nonpublic school bus driver attending a course of instruction. For the
21 purpose of computing compensation, the hourly rate allowed each school
22 bus driver shall not exceed the hourly rate received for driving a school
23 bus. Reimbursement compensating the driver during the course of
24 instruction shall be made by the department to the college or university
25 or intermediate school district providing the course of instruction.

26 Sec. 1075. From the funds appropriated in section 101 for
27 transportation there shall be allocated the amount necessary to pay the
28 reasonable costs of nonspecial education auxiliary services
29 transportation provided pursuant to section 1323 of the school code of

1 1976. School districts funded under this section shall not receive
2 funding under any other section of this act for nonspecial education
3 auxiliary services transportation.

4 Sec. 1081. (1) The funds appropriated in section 101 for ISD formula
5 are allocated to provide state aid to intermediate districts. There
6 shall be allocated to each intermediate district an amount obtained by
7 adding 104% of the prior year's aid received under this section and 104%
8 of the product of the prior year's state equalized valuation and the
9 prior year's operating millage, and subtracting from that sum the product
10 of the current year's state equalized valuation and the prior year's
11 operating millage. However, an intermediate district shall not receive
12 less than an amount per pupil equal to 100% of the amount of aid per
13 pupil received under this section for the immediately preceding state
14 fiscal year, except that allocations under this subsection shall not
15 exceed \$43,800,000.00 and shall be prorated as necessary by the
16 department.

17 (2) From the funds appropriated in section 101 for ISD formula, there
18 is allocated to an intermediate district, formed by the consolidation or
19 annexation of 2 or more intermediate districts or the attachment of a
20 total intermediate district to another intermediate school district or
21 the annexation of all of the constituent K-12 districts of a previously
22 existing intermediate school district which has disorganized, an
23 additional allotment of \$3,500.00 for each intermediate district included
24 in the new intermediate district for 3 years following consolidation,
25 annexation, or attachment.

26 Sec. 1083. The funds appropriated in section 101 for media centers are
27 allocated to intermediate districts to operate educational media centers
28 under section 671 of the school code of 1976 and the rules promulgated
29 by the state board.

1 Sec. 1085. Of the funds appropriated in section 101 for tax base
2 sharing administration and audits, \$50,000.00 is allocated each of the
3 2 intermediate districts whose chief financial officer serves as a
4 regional controller for commercial and industrial property tax base
5 sharing under part 7a of the school code of 1976 Michigan Compiled Laws,
6 being sections 380.751 to 380.756 of the Michigan Compiled Laws. The
7 remaining \$50,000.00 of the funds appropriated in section 101 for tax
8 base sharing administration and audits is allocated to the department to
9 contract for the auditing of tax base sharing payments as required by
10 Public Act 108 of 1991. The contract or contracts shall be competitively
11 bid.

12 Sec. 1090. (1) The funds appropriated in section 101 for the school
13 restructuring program shall be made available through a competitive grant
14 process. Funds received by a district shall be used to reallocate
15 existing human, monetary, or time resources within one or more school
16 buildings to improve student academic outcomes, which may include student
17 retention rates.

18 (2) To be eligible for funding under this section, a board shall
19 submit to the department an application for funding developed by teachers
20 and principals and approved by the local school board and the district
21 superintendent. Applications shall be submitted in a form and manner as
22 required by the department.

23 (3) Grants shall be limited to no more than \$50,000.00 per eligible
24 classroom building. Grants may be for planning or implementing school
25 restructuring, or both.

26 (4) A recipient of a grant under this section shall not be eligible
27 for receipt of implementation grants for more than a total of two
28 consecutive fiscal years.

29 (5) Applications for planning and implementation grants shall include

1 identification of specific measures which will be used to evaluate the
2 impact of the reallocation of existing resources on student academic
3 outcomes, which may include student retention rates.

4 (6) Applications for implementation grants shall also include a plan
5 for disseminating to other districts the impact of the school
6 restructuring on student academic outcomes.

7 (7) An application for a second year of implementation grant funding
8 under this section shall contain the results of prior evaluations of the
9 school restructuring on student academic outcomes. The state board of
10 education shall consider the reported impact of the school restructuring
11 on student academic outcomes, in awarding second-year implementation
12 grants.

13 (8) The state board of education shall ensure that at least one-third
14 of the funds appropriated for school restructuring costs are available
15 to be awarded to qualified recipients who have not received funding under
16 this section in the previous fiscal year.

17 (9) The department shall do both of the following:

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

21 (b) Monitor and report annually, to the senate and house committees
22 that have the responsibility for education legislation, on the status of
23 schools engaged in school restructuring.

24 Sec. 1091. (1) The funds appropriated in section 101 for schools of
25 choice planning grants shall be allocated through a competitive grant
26 process to no more than 6 applicant intermediate districts to plan the
27 implementation of pilot intermediate district schools of choice programs
28 in a subsequent fiscal year. An intermediate district shall not apply for
29 a grant under this section unless the boards of at least 1/2 of its

1 constituent districts have first adopted a resolution stating that the
2 constituent district is willing to participate in a pilot intermediate
3 district schools of choice program.

4 (2) An intermediate district receiving a grant under this section
5 shall establish a schools of choice planning committee consisting of
6 representative parents, teachers, building principals and other school
7 administrators, and school board members from participating constituent
8 districts and from the intermediate district, and of representatives of
9 in-district schools of choice planning committees established in
10 participating constituent districts pursuant to section 1023a. The
11 intermediate district schools of choice planning committee shall work
12 with the department and with the in-district schools of choice planning
13 committees of its participating constituent districts to do at least all
14 of the following:

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

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

22 (3) An intermediate district receiving a grant under this section
23 shall notify all participating constituent school districts of the names
24 of any participating constituent school district that is not in
25 compliance with sections 1204a, 1233, 1233b, 1277, 1278, and 1280 of the
26 school code of 1976, being sections 380.1204a, 380.1233, 380.1233b,
27 380.1277, 380.1278, and 380.1280 of the Michigan Compiled Laws, and the
28 participating constituent districts shall make that information available
29 to all parents electing to participate in the schools of choice program.

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

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

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

11 (c) A provision that a pupil who transfers to a different school
12 within the intermediate district under the pilot program shall be
13 ineligible to participate in interscholastic athletics for a period of
14 1 school year from the date he or she transfers.

15 Sec. 1092a. (1) The funds appropriated in section 101 for Saginaw
16 project pride are allocated for a basic skills development grant at an
17 applicant district that in the immediately preceding state fiscal year
18 provided a program that targeted at-risk Hispanic and other limited
19 English proficient junior high school students, provided basic skills
20 development assistance through a structured tutoring approach, assisted
21 students in setting educational and career goals, and used a
22 collaborative community approach.

23 (2) The funds appropriated in section 101 for literacy projects shall
24 be allocated through a competitive grant process. The department shall
25 develop grant criteria. Priority shall be given to literacy projects that
26 serve more than 1 district. The maximum amount of a grant under this
27 subsection shall be \$10,000.00 for a literacy project that serves a
28 single district or \$20,000.00 for a literacy project that serves 2 or
29 more districts.

1 Sec 1093. (1) The amount appropriated in section 101 for school age
2 parents is allocated for grants for alternative education programs for
3 school age expectant parents and school age parents and their children,
4 as approved by the department under section 1301 of the school code of
5 1976, being section ~~380.1301~~ of the Michigan Compiled Laws.

6 (2) The funds allocated for alternative education programs for school
7 age expectant parents and school age parents and their children shall be
8 made available through a competitive grant process as follows:

9 (a) Applications shall be submitted in a form and manner as required
10 by the department.

11 (b) Priority in the recommendation for awarding of grants by the
12 state board of education shall be based upon the following criteria:

13 (i) Compliance with Public Act 25 of 1990, regarding core curriculum
14 requirements, including employability outcomes, school improvement plans,
15 and annual education reports.

16 (ii) Demonstration of specific activities or programs designed to
17 address the unique needs of this at-risk population.

18 (iii) Provision either directly, or through referral, of child care
19 and transportation.

20 (iv) Inclusion of a comprehensive evaluation plan which will result
21 in an annual report to the department. The report should contain, but
22 not be limited to, such standardized information as participant data
23 compiled by age, grade level, gender, and race or ethnicity; retention
24 rates of participants; an assessment of the gains of participants in the
25 program; and a plan for following up participants for not less than one
26 year after leaving the program

27 (v) Beginning 1993-94, compliance with the guidelines adopted by the
28 state board of education.

29 (vi) Beginning 1993-94, impact of the program as determined from the

1 annual report as provided for in (v) to the department, if available.

2 (3) Not later than December 1, 1992, the state board of education
3 shall adopt guidelines containing measurable and quantifiable goals,
4 objectives and outcomes for alternative education programs for school age
5 expectant parents and school age parents and their children. Said
6 guidelines shall be in conformance with P.A. 25 of 1990 and shall include
7 provision of transportation and child care for participants.

8 Sec. 1098. (1) The funds appropriated in section 101 for curricula-
9 based professional development are allocated to applicant districts and
10 intermediate districts approved by the department for the development of
11 professional development programs in the areas of mathematics, science,
12 computer literacy-competency, structured linguistics taught through a
13 multisensory approach, reading, writing and composition, and other
14 curricular areas.

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

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

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

28 (c) Developing assessment strategies to identify major target
29 audiences and training content needs in mathematics, science, computer

1 literacy-competency, and writing and composition.

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

6 Sec. 1099. (1) The funds appropriated in section 101 for
7 mathematics/science centers are allocated for planning/start-up/
8 development grants, outreach grants, or continuing support grants. A
9 mathematics and science center that receives a continuing support grant
10 is not eligible to receive any other grant under this section.

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

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

28 (a) A detailed statement of the projected impact of the mathematics
29 and science center on mathematics and science outcomes contained in the

1 core curriculum and how the mathematics and science center, whenever
2 possible, can provide leadership for systemic change.

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

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

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

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

21 (6) Continuing support grants shall be awarded to all established
22 mathematics and science centers. An established mathematics and science
23 center is one that has completed the planning/start-up/development
24 stages. In making continuing support grants under this section, the
25 department shall award not more than \$250,000.00 to each mathematics and
26 science center that provides service to an area with a population of over
27 500,000, not more than \$200,000.00 to each mathematics and science center
28 that provides service to an area with a population of over 100,000 and
29 up to 500,000, and not more than \$150,000.00 to each mathematics and

1 science center that provides service to an area with a population of
2 100,000 or less. Grants shall be paid to each mathematics and science
3 center by October 31.

4 (7) In making outreach grants, the department shall first award
5 outreach grants to the eligible mathematics and science centers that
6 received outreach grants in 1 or more previous fiscal years. Outreach
7 grants shall be paid to the mathematics and science centers by December
8 31.

9 (8) In making planning/start-up/development grants, the department
10 shall first award planning/start-up/development grants to the areas that
11 received planning/start-up/development grants in 1 or more previous
12 fiscal years and that have not completed the planning/start-up-
13 /development stages. After a mathematics and science center has completed
14 the planning/start-up/development stages, the mathematics and science
15 center shall receive continuing support grants as specified in subsection
16 (6). Planning/start-up/development grants shall be paid by December 31.

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

20 Sec. 1100. (1) To be eligible to receive state aid under this act, not
21 later than the third Friday following the pupil membership count day,
22 each district superintendent through the secretary of the district's
23 board shall file with the intermediate superintendent a certified and
24 sworn copy of the district's enrollment for the current school year. In
25 addition, a district maintaining school during the entire year, as
26 provided under section 1561 of the school code of 1976, being section
27 380.1561 of the Michigan Compiled Laws, shall file with the intermediate
28 superintendent a certified and sworn copy of the enrollment for the
29 current school year pursuant to rules promulgated by the state board. In

1 case of failure to file the sworn and certified copy not later than the
2 third Friday following the pupil membership count day or pursuant to
3 rules promulgated by the state board, state aid due to be distributed on
4 December 1 under this act shall be withheld from the defaulting district.
5 A person who willfully falsifies a figure or statement in the certified
6 and sworn copy of enrollment shall be punished in the manner prescribed
7 by the laws of this state.

8 (2) Each district shall provide a minimum of 180 days or 900 hours of
9 pupil instruction. Except as provided in subsections (3), (5), and (6),
10 a district failing to hold 180 days of pupil instruction shall forfeit
11 1/180 of its total state aid appropriation for each day of failure. A
12 district failing to comply with rules promulgated by the state board,
13 which rules establish the minimum time pupil instruction is to be
14 provided to pupils for the regular school year, shall forfeit from its
15 total state aid allocation an amount determined by applying a ratio of
16 the time duration the district was in noncompliance in relation to the
17 minimum time pupil instruction is required. A district failing to meet
18 both the minimum 180 days of pupil instruction requirement and the
19 prescribed time of pupil instruction requirement shall be penalized only
20 the higher of the 2 amounts calculated under the forfeiture provisions
21 of this subsection. Not later than August 1, the board of each district
22 shall certify to the department the number of days of pupil instruction
23 in the previous school year. If the district did not hold at least 180
24 days of pupil instruction, the deduction of state aid shall be made in
25 the following fiscal year from the first payment of state school aid.
26 Days lost because of strikes or teachers' conferences shall not be
27 counted as days of pupil instruction. A district not having the specified
28 percentage of the district's membership in attendance on any day shall
29 receive state aid in that proportion of 1/180 that the actual percent of

1 attendance bears to the specified percentage. The specified percentage
2 to be used for this requirement shall be 75%. The state board shall
3 promulgate rules for the implementation of this subsection.

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

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

16 (5) A district shall not forfeit that part of its state aid
17 appropriation pertaining to operation of an alternative scheduling
18 program for pupils in kindergarten, which program is approved by the
19 state board.

20 Sec. 1101a. (1) From the amount appropriated in section 101 for
21 extended school year pilot program there is allocated an amount not to
22 exceed \$300,000.00 for one-year grants to applicant districts to plan for
23 the operation of an extended school year of at least 990 class hours for
24 pupils in grades 1 to 12. To be eligible for a planning grant, a
25 district shall submit an application to the department by November 30,
26 1992.

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

29 (i) Description of the composition of the district's planning

1 committee and designation of the district's planning coordinator for
2 examining an extension of the school year or a redefinition of the school
3 year schedule.

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

6 (iii) A board-adopted resolution indicating the district's commitment
7 to possible extension or redefinition of the school year schedule for
8 1993-94.

9 (iv) A commitment to develop an evaluation plan containing specific
10 measures for identifying the impact of an extension of the school year
11 on student academic outcomes, which may include student retention rates.

12 (b) The department shall review all applications for planning grants
13 and approve not more than 12 applications. Not later than December 31,
14 1992, the department shall provide each district that is awarded a
15 planning grant under this section with a detailed summary report of the
16 reviewers' comments and suggestions.

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

24 (2) From the amount appropriated in section 101 for extended school
25 year pilot program, there is allocated an amount not to exceed
26 \$6,000,000.00 for grants to applicant school districts to implement the
27 extension of a school year to at least 990 class hours for pupils in
28 grades 1 to 12. An application for an implementation grant may be
29 submitted for a proposal which extends the school year for one or more

1 classrooms, one or more grade levels, one or more school buildings, the
2 entire school district, or for students who are at risk of not achieving
3 academic outcomes for an age-appropriate grade level.

4 (a) An application for an implementation grant shall include at least
5 all of the following:

6 (i) Description of the proposed method for increasing a school year
7 to at least 990 class hours for pupils in grades 1 to 12.

8 (ii) A proposed timeline for implementing the extension of the school
9 year in 1993-94.

10 (iii) A board-adopted resolution indicating the district's
11 commitment to implementing an extension of the school year in 1993-94.

12 (iv) An evaluation plan which identifies specific measures which will
13 be used to assess the impact of an extension of the school year on
14 student academic outcomes, which may include student retention rates.

15 (b) Implementation grant awards made by the state board of education
16 shall not exceed \$250.00 per pupil or the cost of the extended school
17 year project, whichever is less. Priority shall be given to applicants
18 who received a planning grant in the previous state fiscal year. A
19 recipient of an implementation grant is not eligible for receipt of
20 implementation grants provided for under this section for more than a
21 total of 3 fiscal years.

22 (3) Neither planning nor implementation grants shall be used to
23 supplant existing programs, regardless of funding source.

24 Sec. 1102. (1) A district receiving money under this act shall not
25 adopt or operate under a deficit budget, and a district shall not incur
26 an operating deficit in a fund during a school fiscal year. A district
27 having an existing deficit or which incurs a deficit shall not be
28 allotted or paid a further sum under this act until the district submits
29 to the department for approval a budget for the current school fiscal

1 year and a plan to eliminate the district's deficit not later than the
2 end of the second school fiscal year after the deficit was incurred.
3 Withheld state aid payments shall be released after the department
4 approves the deficit reduction plan and ensures that the budget for the
5 current school fiscal year is balanced.

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

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

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

18 Sec. 1103. (1) A district shall not be allotted or paid a sum under
19 this act for the number of pupils in membership in excess of a ratio of
20 30 pupils to 1 teacher. The department may include all pupils in
21 membership regardless of this section if in the department's judgment the
22 district could not maintain the ratio because of lack of funds,
23 facilities, or qualified teachers.

24 (2) For the purpose of this section, "teacher" means an employee of
25 the district holding a valid Michigan teacher's certificate.

26 Sec. 1104. (1) To be eligible to receive state aid under this act, a
27 district shall provide and maintain until the pupil leaves high school
28 a student portfolio. The portfolio shall be maintained for each pupil
29 beginning high school at the start of the 1992-93 school year, shall be

1 extended in 1993-94 to include each pupil beginning ninth grade at the
 2 start of the 1993-94 school year, and shall be further extended beginning
 3 in 1994-95 to include each pupil who begins the eighth grade at the start
 4 of the school year. The portfolio, which may be reviewed by the pupil's
 5 parents, guardian, or person in loco parentis, shall be given to each
 6 pupil upon or before graduation or upon leaving the district, and shall
 7 include at least all of the following categories of records:

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

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

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

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

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

23 Sec. 1104a. (1) In order to receive state aid under this act in
 24 1993-94, 1994-95, or 1995-96, a district shall comply with this section
 25 and shall award a state-endorsed high school diploma to a pupil scheduled
 26 to be graduated in 1994, 1995, or 1996 only if the pupil achieves at
 27 least 1 of the following:

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

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

3 (c) Achieves at least category 2 on the reading portion of the
4 Michigan educational assessment program (MEAP) grade 10 test, at least
5 50% of the objectives on the mathematics portion of the MEAP grade 10
6 test, and at least 50% of the objectives on the science portion of the
7 MEAP grade 11 test.

8 (2) A district that offers a pupil the opportunity to pass a basic
9 proficiency test as 1 means to obtain a state-endorsed diploma in 1994,
10 1995, or 1996 may submit the district's own basic proficiency test to the
11 department for approval to be used by the district to assess proficiency.

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

28 (4) For a state-endorsed diploma, a pupil must achieve at least 1 of
29 the requirements listed in subsection (1) in addition to any other

1 requirements established by law or by the board of a district for a high
2 school diploma. If the board of a district determines that a pupil
3 qualifies for a state-endorsed diploma, the board shall indicate on the
4 pupil's high school diploma that it is a state-endorsed diploma.

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

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

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

27 Sec. 1105. (1) Pupils to be counted in membership shall be not less
28 than 5 years of age on December 1 and less than 20 years of age on
29 September 1 of the school year except as follows:

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

5 (b) A pupil who is enrolled in classes as specified under section
6 108(1) required for that pupil to obtain a high school diploma may be
7 counted in membership regardless of age.

8 (c) A pupil not having a high school diploma taking instruction in an
9 adult basic education program which provides instruction in mathematics,
10 reading, or English, as specified under section 1108(1), may be counted
11 in membership regardless of age.

12 (d) A pupil not less than 16 years of age who is enrolled in classes
13 in a program under section 1108 may be counted in membership.

14 (2) A pupil less than 20 years of age on September 1 of the school
15 year and having obtained a high school diploma shall be counted in
16 membership if enrolled in academic or vocational-technical courses that
17 would normally be credited toward high school completion and are to
18 prepare pupils for employment, additional occupational skills training,
19 or postsecondary education. Not more than 15 membership pupils or 1% of
20 the district's membership in the immediately preceding state fiscal year
21 shall be counted in membership under this subsection in classes known as
22 slot-funded classes under section 1006(4) in the district, and if 2 or
23 more districts conduct classes known as slot-funded classes under section
24 1006(4) on a cooperative basis with each other, not more than 15
25 membership pupils or 1% of the sum of the membership in the constituent
26 districts in the immediately preceding state fiscal year shall be counted
27 in membership under this subsection in those classes in the cooperative
28 program. A pupil less than 20 years of age on September 1 of the school
29 year, who has obtained a high school diploma, who is attending a course

1 offered directly or indirectly by a district, and who earns postsecondary
2 credit for that course shall not be included in the membership
3 calculation under this subsection. A district or consortium of districts
4 shall not receive membership credit under this subsection for pupils
5 attending a community or junior college or 4-year institution of higher
6 education.

7 (3) A pupil 26 years of age or older residing in a mental health
8 institution or a nursing home and receiving educational services on site
9 shall not be counted in membership unless prior approval is received from
10 the department. A district may request prior approval for adult basic
11 education programs and general educational development test preparation
12 programs. The department shall grant approval for adult basic education
13 and general educational development test preparation programs that meet
14 the requirements of subsection (1)(c) and section 1108(1), as
15 appropriate.

16 Sec. 1106. A pupil enrolled in a public school program organized under
17 federal or state supervision and in which the teaching costs are fully
18 subsidized from federal or state funds shall not be counted in
19 membership.

20 Sec. 1107. (1) The prorated membership of a part-time pupil, who is
21 18 years of age or older on September 1 of a school year and is eligible
22 to be counted in membership under section 1105, shall be computed by
23 applying a ratio which is the relation between the number of hours of
24 student instruction received and 480 clock hours of classroom
25 instruction. Time required to pass to and from classes, and up to 5 hours
26 of tutorial assistance provided to a pupil to make up for an equal number
27 of hours of excused absence by the pupil, as documented and reported by
28 the district, shall be counted as classroom instruction, but meal time,
29 study halls, or recess time shall not be counted. A district that counts

1 pupils under this subsection shall have its board approve a districtwide
2 plan for adult education. The plan shall address goals and objectives for
3 the adult education program. The district shall submit to the department,
4 not later than November 1 each year for each fiscal year in which funding
5 is received for the adult education program, a resolution adopted by its
6 board indicating that the district complies with all of the following
7 requirements:

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

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

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

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

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

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

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

29 (d) Except as provided in subdivision (e), 1 credit of computer

1 education, or the equivalent, as approved by the department.

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

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

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

20 (5) A district that counts adult education pupils in membership under
21 section 1105(2) or section 1006(4) and complies with the requirements of
22 this section and section 1108 shall receive regularly scheduled state aid
23 payments for which the district qualifies under this act in accordance
24 with the following:

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

28 (i) 10% for demonstration of a completed comprehensive assessment as
29 required by section 1108(1)(c).

1 (ii) 30% for enrollment of eligible pupils.

2 (iii) 30% for attainment of a high school diploma; for passage of the
3 general education development (G.E.D.) test; for completion of the adult
4 basic education objectives by achieving an eighth grade level in reading,
5 English, or mathematics; or, for pupils counted in membership in a class
6 known as a slot-funded class under section 1006(4), completion of the
7 class and demonstrated proficiency in the vocational skills to be learned
8 in the class.

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

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

14 (i) 10% for demonstration of a completed comprehensive assessment as
15 required by section 1108(1)(c).

16 (ii) 60% for enrollment of eligible pupils.

17 (iii) 20% for attainment of a high school diploma; for passage of the
18 general education development (G.E.D.) test; for completion of the adult
19 basic education objectives by achieving an eighth grade level in reading,
20 English, or mathematics; or, for pupils counted in membership in a class
21 known as a slot-funded class under section 1006(4), completion of the
22 class and demonstrated proficiency in the vocational skills to be learned
23 in the class.

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

25 (6) For purposes of subsection (5), classroom attendance shall be
26 measured by the total cumulative membership clock hours of classroom
27 instruction. The total cumulative membership clock hours of classroom
28 instruction shall be determined by multiplying the total membership by
29 480 hours. Credit for cumulative membership clock hours of classroom

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

10 Sec. 1107a. (1) Of the funds appropriated in section 101 for adult
11 education alternative training, \$15,000,000.00 shall be available to fund
12 classes that are scheduled for a full year in which different pupils
13 participate in different sessions for less than a full year including
14 postgraduate programs, nonpublic programs, apprentice training programs,
15 and nursing programs. Full-time equated memberships shall be determined
16 by dividing the number of class hours scheduled and provided per year per
17 pupil by 480 for adult pupils.

18 (2) Of the funds appropriated in section 101 for adult education
19 alternative training, \$30,000,000.00 shall be made available through a
20 competitive application process as follows:

21 (a) An applicant may be a local school district or a community
22 college, or a consortia of local school districts or community colleges,
23 or both.

24 (b) Applications shall be reviewed by an interagency committee
25 composed of the directors of the departments of commerce and labor and
26 the superintendent of public instruction or their representatives.
27 Applications shall be submitted in a form and manner as required by the
28 interagency committee. Each department represented on the interagency
29 committee shall assign appropriate and necessary staff to carry out the

1 intent of this section. The interagency committee shall make
2 recommendations to the state board of education for awarding of the
3 grants.

4 (c) Pupils participating in alternative job training programs shall
5 be 16 years or older, provided the pupil has obtained a high school
6 diploma or passed the general educational development test.

7 (d) Priority in the recommendation for awarding of grants by the
8 state board of education shall be based upon the following criteria:

9 (i) Relevance of application to student job placement, job retention
10 or postsecondary enrollment for degree completion.

11 (ii) Cost per student and student contact hours of training.

12 (ii) Strength of commitment to guaranteed job placement, upon
13 completion of training.

14 (iii) Collaboration with appropriate community and business
15 organizations.

16 (iv) Inclusion of an evaluation plan which will provide an assessment
17 of the impact of the training program on student job placement, job
18 retention or postsecondary enrollment for degree completion.

19 (e) Applications for grants shall be submitted to the department by
20 October 15, 1992. Awards for 1992-93 shall be made by the state board
21 of education by December 1, 1992.

22 (f) It is executive intent that all funding appropriated for adult
23 education alternative training shall be available through a competitive
24 grant process beginning in 1993-94.

25 Sec. 1108. (1) A district operating an adult education program and
26 receiving an allocation from funds appropriated in section 101 for adult
27 education membership or for adult education alternative training shall:

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

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

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

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

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

17 (f) Submit to the department not later than October 30 each year a
18 report describing the district's activities in the fiscal year ending the
19 immediately preceding September 30 that pertain to requirements set forth
20 in subdivisions (a) through (e) and, in addition, detailing the
21 educational and employment outcomes achieved by each pupil in a section
22 1105(2) program or in a class known as a slot-funded class under section
23 1006(4) in a manner and form required by the department.

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

27 (2) Two or more K to 12 districts may, with department approval,
28 conduct adult education programs on a cooperative basis. Cooperating
29 districts shall enter into an annual written agreement which shall cover

1 all of the high school completion programs and adult basic education
2 programs offered within the participating districts. Exceptions to this
3 provision may be made with the approval of the department. An agreement
4 shall include the educational, administrative, management, operational,
5 and financial matters concerning adult education programs and services
6 offered by all the participating districts. One district shall be
7 designated in the agreement as the administrator of the adult education
8 cooperative program and shall operate the program as a direct extension
9 of the district, except that the pupils enrolled in the program may be
10 counted on the pupil membership count day or days of the district in
11 which the pupils' classes are held. The district serving as the
12 administrator of the department-approved adult education program shall
13 pay only actual costs, not to exceed fifteen percent of the total cost
14 of the cooperative program, for services, facilities, and utilities
15 provided directly to the adult education program by a cooperative
16 district. No other payments may be made to a cooperating district by the
17 district serving as the administrator of the adult education program.
18 The fee schedule to be paid by the administrative district of the adult
19 education program shall be included as part of the annual written
20 agreement between cooperating districts and furnished to the department.
21 The administrative district shall maintain for 5 years records of fees
22 paid under the agreement. The funds generated by the administering
23 district shall be used only to support actual costs of the adult
24 education programs in the cooperative program.

25 (3) A district which does not receive an allocation from adult
26 education membership appropriated in section 101, with the approval of
27 the department, may enter into a cooperative arrangement with a district
28 which receives membership aid for the purpose of obtaining educational
29 services for adult pupils. These cooperative arrangements shall meet the

1 same conditions as those listed in subsection (2).

2 (4) A district which operates an adult education program under
3 subsection (2) and enrolls pupils from districts not receiving an
4 allocation from funds appropriated for adult education membership in
5 section 101 or not levying operating millage equal to or greater than
6 that of the district which operates the program shall receive for those
7 pupils the lesser of the following gross allowances:

8 (a) The operating district's gross allowance.

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

12 Sec. 1109. (1) The funds appropriated in section 101 for local
13 district membership formula as allocated in section 1021 (1) includes
14 funds to provide appropriate instructional services to a district's
15 homebound or hospitalized pupils, as required under this section.
16 Subject to subsection (2), each district shall provide appropriate
17 instructional services, as determined by the district, to a homebound or
18 hospitalized pupil who resides within and is enrolled in the district.
19 The district may provide the services itself or may contract with an
20 intermediate district, a hospital, a treatment center, or another
21 district to provide the services. In choosing a provider for the
22 instructional services, the district shall consider which of those
23 potential providers is best able to deliver the appropriate instructional
24 services. The district shall pay reasonable costs as agreed upon between
25 the district and the provider for services provided to a pupil under this
26 section.

27 (2) A district is required to provide instructional services under
28 subsection (1) to a pupil placed in a hospital, treatment center, or
29 other treatment facility without the district's prior knowledge only if

1 the district is notified of the pupil's placement by the hospital,
2 treatment center, facility, or the pupil's parent or legal guardian. Upon
3 being notified, the district shall make arrangements to provide
4 instructional services under subsection (1) within 3 school days after
5 being notified.

6 Sec. 1111. (1) Except as provided in section 1113, a district having
7 tuition pupils enrolled on the pupil membership count days of each year
8 shall charge the district in which the tuition pupils reside the tuition
9 rate computed under section 1401 of the school code of 1976, being
10 section 380.1401 of the Michigan Compiled Laws, except tuition shall not
11 be charged for adult part-time pupils. The resulting tuition rates shall
12 be reduced by the gross per pupil membership guarantee provided under
13 section 1021(1), except that the following districts shall charge the
14 full per capita operating cost determined under section 1401 of the
15 school code of 1976 for tuition pupils other than special education
16 pupils served in center programs:

17 (a) A district not receiving a membership allocation under section
18 1021(1).

19 (b) A district that would not receive a membership allocation under
20 section 1021(1) if tuition pupils were not included in membership in the
21 receiving district.

22 (c) A district enrolling pupils, other than special education pupils,
23 who reside in a district that is legally liable for the payment of the
24 tuition and levies a lower operating millage than the district enrolling
25 the pupils.

26 (2) A district enrolling pupils who reside in a district that does not
27 receive a membership allocation under section 1021(1) shall charge the
28 resident district the full per capita operating costs. This subdivision
29 does not apply to pupils receiving 1/2 or less of their instruction in

1 a district or districts other than their district of residence.

2 (3) A pupil for whom the full per capita operating cost, as determined
3 under section 1401 of the school code of 1976, is charged as tuition
4 under subsection (1) or (2) shall not be counted in membership in the
5 receiving district for purposes of calculating state aid allocations
6 under sections 1021(1) and 1143. A pupil for whom the full per capita
7 operating cost, as determined under section 1401 of the school code of
8 1976, is paid by the pupil's district of residence under subsection (1)
9 or (2) shall be counted in membership in the pupil's district of
10 residence solely for purposes of calculating state aid allocations under
11 sections 1021(1) and 1143.

12 (4) A district that counts pupils in membership pursuant to
13 subsections (2) and (3), upon approval by the department, may count only
14 the number of pupils necessary to obtain an allocation under section
15 1021(1). In this instance, the educating district shall count all
16 additional pupils.

17 (5) Special education tuition pupils enrolled in center programs in
18 a district not receiving a net allocation under section 1021(1) shall be
19 counted in membership in the intermediate district to which the district
20 is constituent, and the resulting membership aid shall be paid by the
21 intermediate district to the receiving district and deducted from the
22 tuition rates charged the sending district. The funds appropriated in
23 section 101 for local district membership formula, in addition to
24 allocations in section 1021(1) shall include allocations for non-public,
25 non-resident pupils in part-time membership. An additional allowance for
26 nonpublic, nonresident pupils in part-time membership shall be made to
27 the district receiving nonpublic, nonresident pupils in an amount equal
28 to the difference between the per capita cost as determined under section
29 1401 of the school code of 1976 and the gross allowance calculated under

1 section 1021(1) .

2 Sec. 1113. A pupil residing in a juvenile or detention home operated
3 by the juvenile division of a probate court and attending school by
4 direction of the court in the district of residence of the pupil's parent
5 or legal guardian shall not be counted as a tuition pupil but shall be
6 counted in resident membership in that district. A pupil residing in the
7 home of the pupil's parent or legal guardian but who, by assignment of
8 a probate court, attends school in another district shall not be counted
9 as a tuition pupil but shall be counted in resident membership in the
10 district which the pupil attends. A pupil residing in the home of the
11 pupil's parents or legal guardian or juvenile home but who, by direction
12 of local school authorities and approval of the probate court, may be
13 enrolled in school in another district shall not be counted as a tuition
14 pupil but shall be counted in resident membership.

15 Sec. 1116. The funds appropriated for native American children in
16 section 101 are for a district receiving an allocation under section
17 1021(1) and having native American pupils in attendance, who reside
18 within the district and upon a United States government Indian
19 reservation. The district shall be allowed, in addition to the
20 allowances provided by the other sections of this act, an amount equal
21 to the number of those pupils in attendance times $1/2$ the tuition rate
22 as computed under section 111 and under section 1401 of the school code
23 of 1976.

24 Sec. 1117. A district shall not be allotted or paid a sum under this
25 act unless the district charges the legal amount of tuition for tuition
26 pupils enrolled on the pupil membership count day of each year from the
27 districts in which the tuition pupils reside and has certified that fact
28 to the department. If no district is legally liable for the payment of
29 the tuition and the tuition has not been collected from the parents or

1 guardians of the tuition pupils before July 1 of each year, the number
2 of those pupils shall be deducted from the membership of the district and
3 the allowances as allocated in section 1021(1) shall be recomputed
4 accordingly. A district which enrolls and educates pupils who are
5 residents of another district due to uncertainty as to the boundary of
6 a district, and which serves notice to the resident district where the
7 pupils must attend school in subsequent school years, shall not forfeit
8 membership allowances or recalculate allocations under section 1021(1).

9 Sec. 1118. (1) A district shall not be allotted or paid a sum under
10 this act after April 1 of each year unless that district pays the legal
11 amount of tuition for tuition pupils on or before the date to the
12 districts in which the tuition pupils are in school membership on the
13 preceding pupil membership count day of each year and has certified that
14 fact to the department.

15 (2) A district which sends tuition pupils to 1 or more districts,
16 which is legally liable for the payment of the tuition, and which fails
17 to pay its tuition assessment in full before April 1 of each year, shall
18 remit the full amount of tuition owed to the receiving district before
19 making any other financial expenditure or commitment for the next school
20 fiscal year.

21 Sec. 1121. (1) The valuation of a whole or fractional district shall
22 be the total state equalized valuation of the property contained in the
23 whole or fractional district as last determined by the state tax
24 commission and placed on the ad valorem tax roll. For purposes of
25 computations made under this act, except as provided in section 1026, the
26 state equalized valuation of a district or intermediate district shall
27 include the value of property used to calculate the tax imposed on
28 lessees or users of tax-exempt property under Act No. 189 of the Public
29 Acts of 1953, being sections 211.181 to 211.182 of the Michigan Compiled

1 Laws. Adjustments to this state equalized valuation shall be made for all
2 of the following:

3 (a) State tax tribunal decisions.

4 (b) Court decisions.

5 (c) Local board of review adjustments made after the state tax
6 commission determination.

7 (d) Lands deeded to the state for jurisdictions without delinquent tax
8 revolving funds or for jurisdictions that have required repayment to the
9 delinquent tax revolving funds.

10 (e) The requirements of this act.

11 (2) Adjustments under subsection (1) shall not be made for more than
12 the 6 state fiscal years immediately preceding the state fiscal year in
13 which the adjustment is made, except that an adjustment pursuant to a
14 state tax tribunal decision or court decision shall be made for the tax
15 years involved in the decision and any subsequent years affected by the
16 decision.

17 Sec. 1122. The valuation of property assessed under Act No. 189 of the
18 Public Acts of 1953, as amended, being sections 211.181 to 211.182 of the
19 Michigan Compiled Laws, shall be deducted from the total valuation of a
20 district if school taxes levied against the property are not collected
21 from the lessee or user of the property. The credit so obtained by a
22 district in the application of the formula provided in section 1021(1)
23 shall remain a lien against the district and shall be paid by the
24 district to the school aid fund when the taxes are collected.

25 Sec. 1124. (1) When taxes levied for operating purposes against
26 property constituting at least 10% of the valuation of a district are
27 paid under protest and, therefore, are unavailable to the district, the
28 total valuation of the district for the purposes of this act shall be
29 reduced by the valuation of the property. The credits so obtained by a

1 district in the application of the formula provided in section 1021(1)
2 shall remain a lien against the district and shall be paid by the
3 district to the school aid fund when the taxes are collected.

4 (2) When taxes levied for operating purposes against property
5 constituting at least 5% of the valuation of a district are not paid by
6 a single bankrupt debtor that files for reorganization under chapter 11
7 of bankruptcy, Public Law 95-598, 11 U.S.C. 1101 to 1174, and, therefore,
8 are unavailable to the district, the total valuation of the district for
9 the purposes of this act shall be reduced by the valuation of the
10 property. The credits so obtained by a district in the application of the
11 formula provided in section 1021(1) shall remain a lien against the
12 district and shall be paid by the district to the school aid fund when
13 the taxes are collected. This subsection shall be implemented upon
14 verification by the department that the district has taken proper action
15 to attempt to secure payment of taxes by the bankrupt debtor.

16 (3) When taxes levied in 1986 for operating purposes against property
17 constituting at least 5% of the valuation of a district that levied for
18 operating purposes 36.0 mills or 36.9 mills in 1986-87 are not paid by
19 a company or group of companies under common control or ownership, and,
20 therefore, are unavailable to the district, the total valuation of the
21 district for the purposes of this act shall be reduced for 1986-87 by the
22 valuation of the property. The credits so obtained by a district in the
23 application of the formula provided in section 1021(1) shall remain a
24 lien against the district and shall be paid by the district to the school
25 aid fund when the taxes are collected or received from the delinquent tax
26 revolving fund. This subsection shall be implemented upon verification
27 by the department that the district has taken proper action to attempt
28 to secure payment of taxes by the debtor and has taken actions necessary
29 to insure that the district is operating with a balanced budget for the

1 current year.

2 Sec. 1143. (1) The funds appropriated in section 101 for local
3 district revenue guarantee, are allocated to each eligible district based
4 upon the following amount per pupil, except as provided in subsection
5 (2):

6 (a) Add the following:

7 (i) 102.5% of the previous year's membership aid per pupil received
8 under section 1021(1).

9 (ii) 102.5% of the previous year's membership aid per pupil received
10 under this section.

11 (iii) 102.5% of the product of the previous year's state equalized
12 valuation per pupil and the 1975-76 millage levied for purposes included
13 in the operation cost of the district as prescribed in section 1007.

14 (b) From the sum obtained in subdivision (a), subtract the following:

15 (i) The current year's membership aid per pupil received under section
16 1021(1) or the membership aid per pupil which would be due the district
17 if the current year's formula were applied to the 1975-76 operating
18 millage, whichever is greater.

19 (ii) The product of the current year's state equalized valuation per
20 pupil and the 1975-76 operating millage levied.

21 (2) A district shall not receive a greater amount per pupil under
22 subsection (1) than was received by the district in the prior year,
23 except that funds shall be prorated as necessary by the department. This
24 program will be phased out by 1994-95.

25 (3) The purpose, use, and expenditure of aid received under this
26 section are limited as if the funds were generated by ad valorem taxes
27 levied for operating purposes.

28 Sec. 1144. (1) The funds appropriated in section 101 for commercial
29 forest payment are allocated to applicant districts not receiving a

1 membership allocation under section 1021(1), that have sustained an SEV
2 reduction due to the listing of forest land under Act No. 94 of the
3 Public Acts of 1925, being sections 320.301 to 320.314 of the Michigan
4 Compiled Laws, and that levied 25.615 mills or 35.16 mills for operating
5 purposes in 1985-86, except that allocations shall be prorated as
6 necessary by the department. This program will be phased out by 1994-95.

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

9 (a) A potential property tax payment shall be determined by
10 multiplying the total acreage of the district under Act No. 94 of the
11 Public Acts of 1925 by \$75.00 per acre. This product shall then be
12 multiplied by the operating millage rate of the district.

13 (b) From the amount computed under subdivision (a) shall be subtracted
14 all payments received by the district for the commercial forest land,
15 including specific and yield and withdrawal tax revenue.

16 Sec. 1145. The funds appropriated in section 101 for desegregation
17 court-ordered payments are allocated to pay the state share of
18 desegregation costs mandated by the federal court before June 1, 1983,
19 in Berry v school district of the city of Benton Harbor, United States
20 district court for the western district of Michigan, docket no. C.A. 9.

21 Sec. 1149. The funds appropriated for Michigan partnership for new
22 education are allocated for a grant to Michigan state university. The
23 payment shall be made October 15. The grant money shall be expended for
24 the purposes of applying and disseminating the latest research on
25 teaching, learning, organization, and management to the state's public
26 schools. Of the funds allocated in this section, approximately 1/2 shall
27 be expended by the school and university alliance according to subsection
28 (2) for research application to translate research into practice and
29 evaluate the results. The balance of the funds shall be expended by the

1 educational extension service according to subsection (3) for the purpose
2 of disseminating practical, tested knowledge to schools in this state.
3 During each state fiscal year, the Michigan partnership and its partner
4 institutions shall raise or contribute matching funds totaling at least
5 1/2 of the amount allocated in this section for the partnership.

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

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

22 (4) The funds allocated under this section may be expended for
23 purposes related to applying and disseminating the latest research on
24 teaching, learning, organization and management to the state's public
25 schools including, but not limited to, all of the following:

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

28 (b) Compensation for teachers and administrators for summer activities
29 such as course planning, materials development, professional development,

1 and for activities beyond the normal school day or week.

2 (c) Compensation for university faculty for summer activities.

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

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

7 (f) Meeting expenses.

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

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

16 (6) Not later than March 1 of each year, the Michigan partnership for
17 new education shall submit to the state board of education a progress
18 report on expenditures, activities, and accomplishments of the school and
19 university alliance and the educational extension service. The report
20 shall include a report on matching funds raised or contributed, as well
21 as an indication of the priority areas for work during that fiscal year.
22 The Michigan partnership for new education shall also submit a detailed
23 work plan for the fiscal year including at least a plan for evaluation
24 of the impact of the school and university alliance and the educational
25 extension service and a budget based on the appropriation for the year
26 to the department no later than October 1 of each year.

27 Sec. 1149a. (1) The funds appropriated in section 101 for metropolitan
28 Detroit youth foundation are distributed to school districts organized
29 as a first-class district under part 6 of the school code of 1976, being

1 sections 380.401 to 380.485 of the Michigan Compiled Laws, to be used to
2 contract with the metropolitan Detroit youth foundation for a dropout
3 prevention program. The dropout prevention program shall target high
4 school pupils who are on the verge of long-term suspension and middle
5 school pupils who are at risk of failure in 9th grade.

6 (2) Not later than December 1, the Metropolitan Detroit Youth
7 Foundation shall submit an evaluation of the gains of students
8 participating in the dropout prevention program in the previous fiscal
9 year to the department. The evaluation shall include such information
10 as participant data compiled by age, grade level, gender, and race or
11 ethnicity; retention rates of participants; an assessment of measurable
12 academic and social outcomes of participants in the program; and a plan
13 for monitoring participants for not less than one year after leaving the
14 program to determine the impact of the program.

15 Sec. 1151. (1) Annually, the treasurer of each county shall furnish
16 to the department, before July 1 following the receipt of assessment
17 rolls, a statement of the state equalized valuation of each district and
18 fraction of a district within the county on forms furnished by the
19 department.

20 (2) The tax tribunal created by the tax tribunal act, Act No. 186 of
21 the Public Acts of 1973, being sections 205.701 to 205.779 of the
22 Michigan Compiled Laws, shall accumulate any changes in state equalized
23 valuation of each district and intermediate district and report the
24 cumulative change in state equalized valuation before April 1 to the
25 department.

26 Sec. 1152. Except for reports due on other dates specified in this
27 act, each district and intermediate district shall furnish to the
28 department before the first Monday in November of each year those reports
29 the department considers necessary for the determination of the

1 allocation of funds under this act. In addition, each district shall
2 furnish to the department November 15 of each year its state equalized
3 valuation by each class of property. In order to receive funds under this
4 act, each district and intermediate district shall also furnish to the
5 department the information the department considers necessary for the
6 administration of this act.

7 Sec. 1152a. (1) In order to receive funds under this act, not later
8 than May 15 of each state fiscal year, each district shall furnish to the
9 department, on a form and in a manner prescribed by the department,
10 estimates of the district's K-12 membership and the district's adult
11 education membership for the next school fiscal year.

12 (2) In order to receive funds under this act, not later than May 15
13 of each state fiscal year, each district shall furnish to the department,
14 on a form and in a manner prescribed by the department, a report of the
15 number of pupils counted in membership under section 1105(2).

16 Sec. 1154. Each intermediate superintendent between August 20 and
17 August 30 of each year, and at any other time upon the request of the
18 treasurer of the county, shall furnish to the county treasurer the names
19 and post-office addresses of the treasurers, presidents, and secretaries
20 of the boards of the intermediate district's constituent districts.

21 Sec. 1155. The secretary of the board of each district enrolling
22 nonresident pupils shall certify to the department on forms furnished by
23 the department, the number of nonresident pupils enrolled in each grade
24 on the pupil membership count days of each year, the districts in which
25 the nonresident pupils reside, the amount of tuition charged for the
26 current year, and other information required by the department.

27 Sec. 1158. In order to receive funds under this act, each district
28 shall furnish to the department, on a form and in a manner prescribed by
29 the department, the information requested by the department that is

1 necessary for the preparation of the district pupil retention report
2 defined in section 1006(3).

3 Sec. 1161. A school official or member of a board or other person who
4 neglects or refuses to do or perform an act required by this act or who
5 violates or knowingly permits or consents to the violation of this act
6 is guilty of a misdemeanor, punishable by imprisonment for not more than
7 90 days, or a fine of not more than \$1,500.00, or both.

8 Sec. 1162. A district or intermediate district that fails through the
9 negligence of school officials to file reports required in this act shall
10 forfeit that proportion of funds to which the district or intermediate
11 district otherwise would be entitled under this act as the delay in the
12 reports bears to the school term as required by law for the district or
13 intermediate district.

14 Sec. 1163. (1) Except as provided in the school code of 1976, the
15 board of a district or intermediate district shall not permit any of the
16 following:

17 (a) A noncertificated teacher to teach in an elementary or secondary
18 school or in an adult basic education or high school completion program.

19 (b) A noncertificated counselor to provide counseling services to
20 pupils in an elementary or secondary school or in an adult basic
21 education or high school completion program.

22 (c) A noncertificated administrator to be employed as a
23 superintendent, principal, or assistant principal, or in any other
24 position in which the primary responsibility of the administrator is
25 supervising instructional programs.

26 (d) A noncertificated chief business official to be employed as a
27 chief business official.

28 (2) Except as provided in the school code of 1976, a district or
29 intermediate district employing teachers, counselors, or administrators

1 not legally certificated shall have deducted the sum equal to the amount
2 paid the teachers, counselors, or administrators for the period of
3 noncertificated or illegal employment. Each intermediate superintendent
4 shall notify the department of the name of the noncertificated teacher,
5 counselor, or administrator and the district employing that individual
6 and the amount of salary the noncertificated teacher, counselor, or
7 administrator was paid within a constituent district.

8 (3) If a school official is notified by the department that he or she
9 is employing a nonapproved noncertificated teacher, counselor, or
10 administrator in violation of this section and knowingly continues to
11 employ that teacher, counselor, or administrator, the school official is
12 guilty of a misdemeanor, punishable by a fine of \$1,500.00 for each
13 incidence.

14 Sec. 1164. A district or intermediate district shall forfeit an amount
15 to which the district or intermediate district otherwise would be
16 entitled under this act equal to the district's or intermediate
17 district's expenditures in the immediately preceding school fiscal year
18 for cars for board members, and for chauffeurs for board members or
19 administrators.

20 Sec. 1165. A district that enrolls nonresident pupils for more than
21 1/2 of their instruction and transports those pupils inside the
22 boundaries of their district of residence without that district's
23 permission shall forfeit its apportionments under this act for the fiscal
24 year in which the activity occurred.

25 Sec. 1166. A district in which a school official, member of a board,
26 or other person dispenses or otherwise distributes a family planning drug
27 or device in a public school in violation of section 1507 of the school
28 code of 1976, being section 380.1507 of the Michigan Compiled Laws,
29 dispenses prescriptions for any family planning drug, or makes referrals

1 for abortions shall forfeit 5% of its total state aid appropriation.

2 Sec. 1167. (1) If a district does not have a completed, waived, or
3 provisional immunization record in accordance with section 9209 of the
4 public health code, Act No. 368 of the Public Acts of 1978, being section
5 333.9209 of the Michigan Compiled Laws, for a pupil in grades K through
6 12, the district shall report the name of the pupil to the department no
7 later than March 1 of each year.

8 (2) The department in cooperation with the department of public health
9 shall develop a plan to assist local school districts and local county
10 health departments to comply with section 9209 of Act No. 368 of the
11 Public Acts of 1978.

12 (3) If a district does not have a completed, waived, or provisional
13 immunization record in accordance with section 9209 of Act No. 368 of the
14 Public Acts of 1978 for at least 90% of the district's pupils by March
15 1 of each year 50% of each school aid payment attributable to each pupil
16 for whom the district does not have such an immunization record shall be
17 withheld from the district until the district has such an immunization
18 record for at least 90% of its pupils.

19 **PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM**

20 Sec. 2001. Adjustments are made under the reconciliation appropria-
21 tion unit to reflect the difference between the estimated and actual
22 1989-90 contribution requirements and the estimated and actual 1990-91
23 contribution requirements for the public school employees' retirement
24 system as required in section 41 of the public school employees retire-
25 ment act of 1979, Act No. 300 of the Public Acts of 1980, being section
26 38.1341 of the Michigan Compiled Laws. The net amount of these
27 adjustments shall be applied proportionately to the reserve for employer
28 contributions created by section 30 of Act No. 300 of the Public Acts of
29 1980, as amended, being section 38.1330 of the Michigan Compiled Laws,

1 and the reserve for health benefits created by section 34 of Act No. 300
2 of the Public Acts of 1980, being section 38.1334 of the Michigan
3 Compiled Laws.

4 Sec. 2002. (1) The appropriations for public school employees
5 retirement in this act are made pursuant to the public school employees
6 retirement act of 1979, Act No. 300 of the Public Acts of 1980, being
7 sections 38.1301 to 38.1407 of the Michigan Compiled Laws. The
8 appropriations are to be allocated, using the entry age normal cost
9 actuarial method and risk assumptions adopted by the retirement board
10 and the department of management and budget, from the school aid fund
11 established by section 11 of article IX of the state constitution of
12 1963.

13 (2) The annual level percentage of payroll contribution rate assumed
14 for the state fiscal year is 12.03%. The portion of the contribution
15 rate assigned to local school districts and intermediate school districts
16 for the state fiscal year is 5.0 percentage points of the total 12.03%
17 percentage points.

18 Sec. 2003. Included in the amounts appropriated to the public school
19 employee's retirement system in section 101, there is hereby appropriated
20 sufficient funds to pay the costs associated with the administration of
21 the self-insured health insurance benefits.

22 **DEPARTMENT OF EDUCATION**

23 Sec. 3203. As used in this act:

- 24 (a) "AIDS" means acquired immunodeficiency syndrome.
25 (b) "CDC" means center for disease control.
26 (c) "DAG" means the United States department of agriculture.
27 (d) "DED" means the United States department of education.
28 (e) "Department" means the Michigan department of education.
29 (f) "DOL" means the United States department of labor.

- 1 (g) "ECIA" means the education consolidation and improvement act.
2 (h) "FNS" means food and nutrition service of the USDA.
3 (i) "HCFA" means the health care financing administration.
4 (j) "HHS" means the United States department of health and human
5 services.
6 (k) "IDG" means interdepartmental grant.
7 (l) "JTPA" means the job training partnership act.
8 (m) "NHTSA" means the national highway traffic safety
9 administration.
10 (n) "OBEMLA" means office of bilingual education and minority
11 languages affairs.
12 (o) "OERI" means office of educational research and improvement.
13 (p) "OESE" means office of elementary and secondary education.
14 (q) "OHDS" means office of human development services.
15 (r) "OPSE" means office of postsecondary education.
16 (s) "OSERS" means the office of special education rehabilitation
17 service.
18 (t) "OVAE" means office of vocational and adult education.
19 (u) "SSA" means the social security administration.
20 (v) "TEFAP" means the emergency food assistance program.
21 (w) "USDA" means the United States department of agriculture.
22 (x) "VA" means the United States veterans administration.

23 Sec. 3204. A position created under this act that is fully funded by
24 federal funds shall not be continued as a state funded position when the
25 federal funds are discontinued or reduced to the point that the federal
26 funds will not sustain the position 100%.

27 Sec. 3205. The funds donated from private sources to the department
28 shall be appropriated for the purpose for which they are granted, if the
29 department expends the funds in furtherance of programs established and

1 recognized by the legislature. Funds accepted under this section shall
2 not be authorized if the receipt of the funds mandates a commitment for
3 state funding at a future date.

4 Sec. 3206. The funds appropriated in section 101 from the central
5 funds for acquiring additional federal funds or private foundation grants
6 or gifts shall not be expended until the grant money is authorized by the
7 grantor. Expenditure of those funds shall be controlled through the
8 allotment process. Funds accepted under this section shall not be
9 authorized if the receipt of the funds mandates a commitment for state
10 funding at a future date.

11 Sec. 3207. The department may carry into the succeeding fiscal year
12 unexpended federal pass-through funds to local institutions and
13 governments that do not require additional state matching funds. Federal
14 pass-through funds to local institutions and governments that are
15 received in amounts in addition to those included in section 101 and that
16 do not require additional state matching funds are appropriated for the
17 purposes intended.

18 Sec. 3208. The department may receive and expend funds in addition
19 to those authorized in section 101 for conducting training and
20 orientation workshops and seminars that are consistent with the
21 programmatic mission of the individual unit sponsoring or coordinating
22 the program.

23 Sec. 3209. (1) Beginning October 1, 1992, there shall be a hiring
24 freeze imposed on the state classified civil service. State departments
25 and agencies shall be prohibited from hiring any new full-time state
26 classified civil service employees or prohibited from filling any vacant
27 state classified civil service positions. This hiring freeze does not
28 apply to internal transfers of classified employees from one position to
29 another within a department.

1 (2) The director of the department of management and budget shall
2 grant exceptions to this hiring freeze when the director believes that
3 such a hiring freeze will result in rendering a state department or
4 agency unable to deliver basic services, cause loss of revenue to the
5 State, result in the inability of the State to receive and expend federal
6 funds, or necessitate additional expenditures that exceed any savings
7 from maintaining a vacancy.

8 STATE BOARD/OFFICE OF THE SUPERINTENDENT

9 Sec. 3301. From the amount appropriated in section 101 to the state
10 board of education, not more than \$55,000.00 shall be expended for
11 travel.

12 Sec. 3302. It is executive intent that the superintendent of public
13 instruction and the department of management and budget shall submit a
14 plan to the legislative education appropriation subcommittees by April
15 15, 1992 which identifies the number of budgeted full-time-equivalent
16 employees and funding from all sources of revenue for the fiscal year
17 ending September 30, 1993 for each program or activity which the
18 superintendent considers an essential mission for the department of
19 education. The plan shall meet the following criteria:

20 (a) The plan shall not require more state general purpose funds than
21 is recommended for appropriation in the gross appropriation for the
22 department of education in section 101.

23 (b) The plan shall include an explanation of the criteria used to
24 develop the plan.

25 (c) The plan shall include a proposed appropriations bill structure
26 which identifies specific appropriation units, program lines, and dollars
27 needed from specific sources of funding for each appropriation unit in
28 order to implement the plan.

29 (d) The plan shall identify any statutory changes necessary to

1 implement the plan.

2 Sec. 3303. Of the funds appropriated in section 101 for the bureau
3 of executive direction and administrative services operations, \$72,700.00
4 is allocated to provide 2.0 full-time equated classified positions for
5 the purpose of reviewing school district federal single audits in
6 compliance with OMB circular A-128.

7 Sec. 3304. Of the funds appropriated in section 101 for the bureau
8 of executive direction and administrative services operations,
9 \$850,000.00 is allocated to contract for the auditing of adult education
10 financial and pupil accounting records. The department shall be
11 responsible for establishing an auditing schedule and auditing guidelines
12 which are in compliance with this act, the state school aid act of 1979,
13 rules and regulations approved by the state board of education, and
14 applicable state and federal law. The department shall develop bid
15 specifications through the department of management and budget in order
16 that the contract or contracts are competitively bid.

17 Sec. 3305. (1) The funds appropriated in section 101 from the
18 central fund for acquiring medicaid revenues shall be expended in
19 accordance with a plan established by an interagency steering committee.
20 Expenditure of funds from the central fund for acquiring medicaid
21 revenues shall be controlled by the allotment process. Funds accepted
22 under this section shall not be authorized if the receipt of the funds
23 mandates a commitment for state funding at a future date.

24 (2) The interagency steering committee shall be comprised of a
25 representative from each of the following departments:

- 26 (a) The department of education
- 27 (b) The department of mental health
- 28 (c) The department of social services
- 29 (d) The department of public health

1 (e) The department of management and budget

2 (3) The interagency steering committee shall be responsible for
3 developing a plan to identify and secure medically necessary services to
4 improve the health of children in pilot local school districts. The plan
5 shall maximize federal revenues to fund services identified as necessary
6 and shall allow for cooperative agreements between participating state
7 departments and local service providers. The plan may provide for
8 coordination with other cooperative state and local activities with
9 similar goals and objectives. The interagency steering committee may
10 identify pilot sites for implementation of the plan in the fiscal year
11 ending September 30, 1993.

12 Sec. 3306. The department shall convene a technical advisory group for
13 the purpose of developing standard attendance and membership reporting
14 methods, and standard student identification systems. The technical
15 advisory group shall consist of representatives from local school
16 districts, intermediate school districts and department personnel
17 responsible for the auditing of pupil membership counts. The technical
18 advisory group shall report its recommendations to the state board of
19 education no later than January 1, 1993.

20 SCHOOL QUALITY SERVICES

21 Sec. 3401. (1) The contracts provided for in section 101 that relate
22 to the Michigan education assessment program shall be awarded on the
23 basis of competitive bidding. All school districts in this state shall
24 participate in the tenth grade assessment program.

25 (2) The department shall release the results of the tests at the same
26 time to all private schools and public school districts taking the tests
27 at the same time.

28 Sec. 3402. (1) The department shall continue to redevelop tests for
29 use in the essential skills assessment of students in the fourth,

1 seventh, and tenth grades in the areas of language arts and mathematics.
2 The reading and mathematics test shall be administered annually in all
3 school districts.

4 (2) The science test shall be administered annually in all school
5 districts to students in the fifth, eighth, and eleventh grades. The
6 department shall develop a new test measuring the state board of
7 education-approved essential goals and objectives for science education
8 to replace the current science test in 1993-94.

9 Sec. 3403. The funds appropriated in section 101 for Michigan
10 educational assessment program tests are for contracts to carry out
11 testing, including, but not limited to, science testing; to develop new
12 tests for future use in the Michigan education assessment program; and
13 to develop materials to assist local school districts in using and
14 reporting Michigan education assessment program test results.

15 Sec. 3404. The department shall provide a progress report to the
16 chairs of the house and senate education appropriation subcommittees and
17 the department of management and budget no later than May 15 of each year
18 describing the activities of the department related to the implementation
19 of Act No. 25 of the Public Acts of 1990 during the first 6 months of the
20 fiscal year. A second progress report shall be submitted no later than
21 November 15 of each year to the chairs of the house and senate education
22 appropriation subcommittees and the department of management and budget
23 describing the activities of the department concerning the implementation
24 of that act in the last 6 months of the fiscal year.

25 Sec. 3405. In order to assist local school districts in establishing
26 in-district schools of choice programs, the department shall do all of
27 the following:

28 (a) Develop and provide to each district a guide to the criteria used
29 in determining eligibility for additional transportation assistance for

1 implementing an in-district schools of choice program.

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

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

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

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

13 Sec. 3406. The Michigan employability skills assessment shall be
14 offered to all Michigan school districts during the 1991-92 fiscal year.
15 Participation in this component is voluntary under the provisions of Act
16 No. 25 of the Public Acts of 1990. During the 1992-93 school year,
17 participating districts shall offer the program to students at 3 grade
18 levels selected from grades 8 through 12. During the 1993-94 school year,
19 participating districts shall offer the program to all students in grades
20 8 through 12. During the 1991-92 and the 1992-93 school years, the
21 school district may select which grade level or levels at which to offer
22 the assessment. The department shall provide the materials local
23 districts need to implement the program.

24 Sec. 3407. The department may contract with a private or nonprofit
25 agency, a college or university, a local school district, an intermediate
26 district, or a combination of those entities, as well as with testing
27 companies, for the development, pilot-testing and implementation of the
28 standards for the Michigan accreditation program.

29 Sec. 3408. From the funds appropriated in section 101 for bureau of

1 instructional services operations, \$100,000.00 shall be allocated for
2 grants to intermediate school districts to implement on a pilot basis the
3 proposed accreditation standards and processes for all public schools.

4 Sec. 3409. From the funds appropriated in section 101 for bureau of
5 instructional services operations, \$20,000.00 is allocated for a grant
6 to an intermediate school district to print and distribute the K-12
7 standards of quality and the core curriculum outcomes documents to school
8 districts.

9 SCHOOL PROGRAM SERVICES

10 Sec. 3501. (1) Beginning in 1992-93 the department shall not approve
11 local chapter 1 and article 3 compensatory education applications from
12 local and intermediate school districts that do not comply with the
13 approved guidelines. The department may waive an applicant's compliance
14 with the approved guidelines if, in the department's analysis, unusual
15 circumstances warrant the waiver.

16 (a) "Chapter 1" means a program under the title I of the Hawkins-
17 Stafford elementary and secondary school improvement amendments of 1988,
18 Public Law 100-297, Stat. 130-203.

19 (b) "Article 3" means a program under article 3 of the state school
20 aid act of 1979, Act No. 94 of the Public Acts of 1979, being sections
21 388.1631 to 388.1639 of the Michigan Compiled Laws.

22 MSB/MSD/STIRC/REHABILITATION PROGRAMS

23 Sec. 3601. The employees at the Michigan school for the blind, the
24 Michigan school for the deaf, and the state technical institute and
25 rehabilitation center who work on a school year basis shall be considered
26 annual employees for purposes of service credits, retirement, and
27 insurance benefits.

28 Sec. 3602. For each student enrolled at the Michigan school for the
29 blind and the Michigan school for the deaf, the department shall assess

1 the intermediate school district of residence 100% of the cost of
2 operating the student's instructional program. The amount shall exclude
3 room and board related costs and the cost of weekend transportation
4 between the school and the student's home.

5 Sec. 3603. The department may assess rent to the department of
6 corrections for Michigan school for the blind space occupied by the
7 corrections staff training academy, subject to the approval of the
8 department of management and budget. Amounts received under section 101
9 for the corrections academy lease program may be expended by the
10 department for operation, maintenance, and renovation expenses associated
11 with the lease space. If there are any unexpended and unencumbered funds
12 remaining on September 30, 1993 from the amounts appropriated in section
13 101 for the corrections academy lease program, an amount not to exceed
14 \$20,000.00 shall be available for expenditure for the 1993-94 fiscal year
15 for equipment, maintenance, and renovation at other Michigan school for
16 the blind facilities. The balance of the unexpended and unencumbered
17 funds shall revert to the general fund.

18 Sec. 3604. The state technical institute and rehabilitation center may
19 receive equipment and in-kind contributions for the direct support of
20 staff services through the Pine Lake fund, the Delton-Kellogg school
21 district or other local or intermediate school district, or any
22 combination of local or intermediate school districts in addition to
23 those authorized in section 101.

24 Sec. 3605. The Michigan rehabilitation service shall make every effort
25 to ensure that all sources of matching funds in this state are used to
26 obtain federal vocational rehabilitation funds. All sources include, but
27 are not limited to, privately-raised funds to support public nonprofit
28 rehabilitation centers as permitted by the rehabilitation act of 1973,
29 Public Law 93-112, 29 U.S.C. 701 to 717, 720 to 724, 730 to 732, 740 to

1 741, 750, 752, 760 to 762, 770 to 777b, 777d to 777f, 780, 781 to 785,
2 and 790 to 796i.

3 Sec. 3606. The department, in collaboration with the department of
4 management and budget, shall enter into a rental lease with EC3, Inc.
5 for the pro rata share of the total operating and maintenance expenses
6 for premises leased. The amount shall be adjusted October 1 of each year
7 as necessary to reflect changes in the operating and maintenance
8 expenses. Funds received under section 101 for the state employees child
9 care center may be expended by the department for operations,
10 maintenance, and other expenses associated with the operation of the
11 state employees child care center.

12 Sec. 3607. In addition to the amounts appropriated in section 101 for
13 vocational rehabilitation services, an amount of not more than
14 \$3,200,000.00 may be accepted from local, private, or state funds and
15 expended as matching funds for acquiring federal funds for vocational
16 rehabilitation services. Funds accepted pursuant to this section shall
17 not be expended unless allotted. Funds shall not be accepted under this
18 section if the receipt of the funds mandates a commitment for additional
19 state funding in excess of the appropriations authorized in this act or
20 in excess of an amount which is stated in a signed agreement or both. The
21 department shall report before January 31 of each year to the department
22 of management and budget and to the senate and house appropriations
23 subcommittees responsible for the department's budget concerning the
24 amount and source of funds received and how utilized under this section.

25 Sec. 3608. Of the funds received from the disposal or sale of the
26 surplus property and facilities at the Michigan school for the blind or
27 the Michigan school for the deaf, up to \$1,500,000.00 shall be set aside
28 for each school in separate accounts for the purposes of repairs,
29 renovations, and maintenance of each school's campus. Balances in the

1 accounts shall be carried forward as work projects into the fiscal year
2 ending September 30, 1994 and expended for the purposes stated in this
3 section. All expenditures shall be reported to the chair of the joint
4 capital outlay committee.

5 TEACHER PREPARATION AND CERTIFICATION SERVICES

6 Sec. 3901. From the funds appropriated in section 101 for teacher
7 preparation and certification services, the department shall expend the
8 funds to provide 1 full-time equated classified position to handle the
9 professional personnel register and certificate revocation/felony
10 conviction files.

11 Sec. 3902. Not later than November 30, 1992, the department shall
12 submit to the senate and house appropriations subcommittees responsible
13 for the department's budget, the senate and house fiscal agencies, and
14 the department of management and budget a report on the status of
15 activities to meet the requirements of section 1531 of the school code
16 of 1976, Act No. 451 of the Public Acts of 1976, being section 380.1531
17 of the Michigan Compiled Laws, relating to the continued validation and
18 implementation of the teacher testing program.

19 GRANTS AND DISTRIBUTIONS

20 Sec. 31101. The department shall disburse the funds to a general fund
21 grantee in accordance with the same standards of timing and amount that
22 apply to disbursements made by the department to a federal fund grantee.
23 The disbursement shall be restricted to the minimum amount needed for
24 immediate disbursement by the grantee. The department may waive this
25 section if extenuating circumstances warrant and are substantiated in the
26 grantee's application or other appropriate documentation. A waiver
27 granted pursuant to this section shall not be effective until 15 days
28 after written notice of the proposed waiver is given to the chairpersons
29 of the senate and house appropriations subcommittees having jurisdiction

1 over the department budget.

2 Sec. 31102. The funds appropriated in section 101 for the school
3 breakfast program required by section 1272a of the school code of 1976,
4 Act No. 451 of the Public Acts of 1976, being section 380.1272a of the
5 Michigan Compiled Laws, shall be paid to school districts for reasonable
6 and necessary costs that exceed available federal reimbursement for a
7 breakfast, as provided for in section 1272a of Act No. 451 of the Public
8 Acts of 1976, that is eligible for state cash reimbursement and that
9 meets the nutritional standards prescribed by the United States
10 department of agriculture pursuant to section 4 of the child nutrition
11 act of 1966, Public Law 89-642, 42 U.S.C. 1773.

12 Sec. 31103. The funds appropriated in section 101 for drug-free
13 schools and communities shall be used for the provision of a school drug
14 education and prevention program consistent with the program described
15 in the application approved by the United States department of education
16 for funding under the drug-free schools and communities act of 1986,
17 title V, part B; elementary and secondary education act, Public Laws
18 100-297, 100-690, 101-226, and 101-647.

19 Sec. 31104. (1) The funds appropriated in section 101 for early
20 childhood development programs shall be made available through a
21 competitive application process as follows:

22 (a) An applicant may be any public or private nonprofit legal entity
23 or agency other than a local or intermediate school district except a
24 local or intermediate school district acting as a fiscal agent for a
25 child caring organization regulated under Act No. 116 of the Public Acts
26 of 1973, being sections 722.111 to 722.128 of the Michigan Compiled Laws.

27 (b) Applications shall be submitted in a form and manner as required by
28 the department.

29 (c) Applications shall be reviewed by a diverse interagency committee

1 composed of representatives of the department, the department of social
2 services, appropriate community, volunteer, social service agencies and
3 organizations, and parents.

4 (d) Priority in the recommendation for awarding of grants by the state
5 board of education to applicants shall be based upon the following
6 criteria:

7 (i) Compliance with standards for early childhood development
8 consistent with programs for 4-year olds, as approved by the state board
9 of education.

10 (ii) Active and continuous involvement of the parents or guardians of
11 the children participating in the program.

12 (iii) Employment of teachers possessing proper training in early
13 childhood development, including an early childhood (ZA) endorsement
14 and/or child development associate, and trained support staff.

15 (iv) Collaboration with the community of providers of early childhood
16 development programs.

17 (v) The extent to which these funds will maximize other federal, state,
18 local, or private funds.

19 (vi) The extent to which these funds will be targeted to children who
20 will be at least 4, but less than 5, years of age as of December 1 of the
21 year in which the programs are offered and who would be eligible for free
22 lunch, under the national school lunch act, chapter 281, 60 Stat. 230,
23 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766a, and 1769 to
24 1769e, if the child was of school age.

25 (vii) Whether the application contains a comprehensive evaluation plan
26 which includes implementation of all program components required, and an
27 assessment of the gains of children participating in an early childhood
28 development program.

29 (viii) Whether the application provides for the establishment of a

1 community advisory committee that shall be involved in the planning and
2 evaluation of the program and provides for collaboration with, and the
3 involvement of, parents and appropriate community, volunteer, and social
4 service agencies and organizations.

5 (2) Grant awards by the state board of education may be at whatever
6 level the board determines appropriate. A grant, when combined with
7 other sources of state revenue for this program, shall not exceed
8 \$2,500.00 per child or the cost of the program.

9 (3) An applicant that received an initial grant under this section in
10 the 1991-92 fiscal year shall receive priority for funding in 1992-93
11 contingent upon availability of funds and compliance with all
12 operational, fiscal, administrative and other program requirements.
13 However, continuation of funding beyond 2 fiscal years is contingent on
14 the availability of funds and documented evidence of grantee compliance
15 with standards for early childhood development consistent with programs
16 for 4-year olds, as approved by the state board of education, and with
17 all operational, fiscal, administrative, and other program requirements.

18 (4) From the funds appropriated in section 101 for early childhood,
19 development programs, \$75,000.00 shall be allocated for a pilot project
20 to be administered by Wayne state university and \$50,000.00 shall be
21 allocated for a pilot project to be administered by the Grand Rapids
22 public schools for the third year of three-year grants. Both pilot
23 projects shall be based upon a home-based instruction program for
24 preschool youngsters and shall coordinate their implementation of the
25 projects. The pilot projects shall consider the Arkansas model. The
26 pilot projects shall also solicit support from other funding sources to
27 expand accessibility to the services provided under the pilot projects.

28 Sec. 31106. (1) In selecting school districts for school dropout
29 prevention programs funded under section 1046 of this act, the purpose

1 of which is to encourage students identified as potential dropouts to
2 remain in school and graduate through services such as counseling, basic
3 skills remediation, tutorial assistance, and career exploration and
4 development, the department shall ensure that the school dropout
5 prevention programs are designed for students who meet the following
6 criteria:

7 (a) The pupils are 12 through 18 years of age.

8 (b) The pupils are members of households that receive state disability
9 assistance, families assistance, or aid to families with dependent
10 children administered under the social welfare act, Act No. 280 of the
11 Public Acts of 1939, being sections 400.1 to 400.121 of the Michigan
12 Compiled Laws, or that meet food stamp income eligibility requirements
13 of the food stamp act of 1977, Public Law 88-525, 7 U.S.C. 2011 to 2012
14 and 2013 to 2032. Pupils who are not members of households that receive
15 state disability assistance, families assistance, or aid to families with
16 dependent children may also participate if a school can document that the
17 pupil is at risk of dropping out of school.

18 (2) Students participating in a school dropout prevention program may
19 enter paid work experience programs implemented during the second quarter
20 of the program year based upon their first quarter attendance and
21 academic record. Participant pupils who maintain not less than an 80%
22 school attendance record while participating in this program shall be
23 eligible under this program for part-time employment during the school
24 year. Money earned by a student pursuant to this section shall be
25 disregarded as income for purposes of determining eligibility and benefit
26 levels for aid or assistance administered under the social welfare act,
27 Act No. 280 of the Public Acts of 1939, being sections 400.1 to 400.121
28 of the Michigan Compiled Laws.

29 (3) To the extent possible, school districts that receive state funds

1 for a school dropout prevention program shall work with nonprofit
2 organizations, private industry, and governmental units to provide
3 employment and job training to eligible pupils. At their discretion,
4 school districts may involve intermediate school districts in the
5 coordination and implementation of the employment and job training
6 programs.

7 (4) Local school districts may file applications for grants with the
8 department. The department shall prescribe the form and content of each
9 application.

10 (5) Districts who receive funding under this section shall prepare an
11 annual evaluation report which includes number of students served,
12 academic performance, work experience including employability skills, and
13 school retention rates in a form as prescribed by the department of
14 education.

15 Sec. 31107. From the funds appropriated in section 101, the department
16 shall develop bid specifications for bidding through the department of
17 management and budget for the warehousing and distribution of the United
18 States department of agriculture surplus commodities before the
19 expiration of existing contracts.

20 Sec. 31108. The department is authorized to transfer funds from other
21 accounts in section 101 into the communities first pilot projects line
22 item in order to support any such pilot projects. Such transfers shall
23 be subject to the provisions of Act No. 431 of the Public Acts of 1984.

24 Sec. 31109. Act No. 94 of 1979, as amended, being sections 388.1601
25 to 388.1772 of the Compiled Laws of 1970, is repealed.