

Act No. 283
Public Acts of 1994
Approved by the Governor
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**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1994**

Introduced by Reps Oxender and Gilmer

ENROLLED HOUSE BILL No. 5463

AN ACT to amend sections 3 6 6a 11 11a 17b 18 19 20 20a 21b 21c 24 26 31a 37 38 51 58 61a 81 95 99 101 107e 109 111 146a 147 149 and 151 of Act No 94 of the Public Acts of 1979 entitled as amended An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state to make appropriations for certain other purposes relating to education to provide for the disbursement of the appropriations to supplement the school aid fund by the levy and collection of certain taxes to prescribe the powers and duties of certain state departments the state board of education and certain other boards and officials to prescribe penalties and to repeal certain acts and parts of acts sections 3 6 11 17b 18 19 21b 24 26 37 38 51 81 99 101 111 147 and 149 as amended and sections 6a 11a 20 20a 21c 31a 58 61a 95 107e and 146a as added by Act No 336 of the Public Acts of 1993 and sections 109 and 151 as amended by Act No 175 of the Public Acts of 1993 being sections 388 1603 388 1606 388 1606a[1] 388 1611 388 1611a 388 1617b 388 1618 388 1619 388 1620 388 1620a 388 1621b 388 1621c 388 1624 388 1626 388 1631a 388 1637 388 1638 388 1651 388 1658 388 1661a 388 1681 388 1695 388 1699 388 1701 388 1707e 388 1709 388 1711 388 1746a 388 1747 388 1749 and 388 1751 of the Michigan Compiled Laws to add sections 17c 21d 21e 28a 65 71a 148 158a 158b 158c 163a 164a and 167a to repeal certain acts and parts of acts and to repeal certain parts of the act

The People of the State of Michigan enact

Section 1 Sections 3 6 6a 11 11a 17b 18 19 20 20a 21b 21c 24 26 31a 37 38 51 58 61a 81 95 99 101 107e 109 111 146a 147 149 and 151 of Act No 94 of the Public Acts of 1979 sections 3 6 11 17b 18 19 21b 24 26 37 38 51 81 99 101 111 147 and 149 as amended and sections 6a 11a 20 20a 21c 31a 58 61a 95 107e and 146a as added by Act No 336 of the Public Acts of 1993 and sections 109 and 151 as amended by Act No 175 of the Public Acts of 1993 being sections 388 1603 388 1606 388 1606a[1] 388 1611 388 1611a 388 1617b 388 1618 388 1619 388 1620 388 1620a 388 1621b 388 1621c 388 1624 388 1626 388 1631a 388 1637 388 1638 388 1651 388 1658 388 1661a 388 1681 388 1695 388 1699 388 1701 388 1707e 388 1709 388 1711 388 1746a 388 1747 388 1749 and 388 1751 of the Michigan Compiled Laws are amended and sections 17c 21d 21e 28a 65 71a 148 158a 158b 158c 163a 164a and 167a are added to read as follows

Sec 3 (1) Academy membership count day means each of the following days or if the public school academy is not scheduled to be in session on 1 of these days the next succeeding day in the school fiscal year on which the public school academy is scheduled to be in session

- (a) The first Friday in October
- (b) The first Friday in December
- (c) The second Friday in February
- (d) The third Friday in April

(2) Average daily attendance for the purposes of complying with section 1471 of subpart 5 of part 5 of chapter 1 of title I of the elementary and secondary education act public law 89 10 20 U S C 2891 means 92% of the membership as defined in section 6(4)

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

(4) Department means the department of education

(5) District means a local school district established under part 2 3 4 5 or 6 of the school code of 1976 a local act school district or except in sections 6(4) 6(6) 6(7) 13 20 31a 163(1)(c) and 163(1)(d) a public school academy

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

Sec 6 (1) Center program means a program operated by a district or intermediate district for special education pupils from several districts in programs for the autistically impaired trainable mentally impaired severely mentally impaired severely multiply impaired hearing impaired physically and otherwise health impaired and visually impaired Programs for emotionally impaired pupils housed in buildings that do not serve regular education pupils shall also qualify Unless otherwise approved by the department a center program either shall serve all constituent districts within an intermediate district or shall serve several districts with less than 50% of the pupils residing in the operating district In addition pupils approved by the department who formerly would have been placed in a center program placed in noncenter programs to comply with the least restrictive environment provisions of section 612 of part B of the individuals with disabilities education act public law 91 230 20 U S C 1412 may be counted under this section if all of the following are met

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

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

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

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

(4) Membership except as otherwise provided in this act means the average number of full time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year and on the supplemental count day under section 6a for the immediately preceding school year as determined by the department and calculated by adding the unaudited count completed by the department not later than 45 days after the pupil membership count day of the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the state board and as corrected by a subsequent department audit plus the final audited count from the supplemental count day for the immediately preceding school year and dividing that sum by 2 For 1994 95 only for a public school academy membership means the average number of full time equated pupils in grades K 12 actually enrolled and in regular daily attendance in the public school academy on the academy membership count days as determined by the department and calculated by averaging the unaudited count completed by the department not later than 45 days after each academy membership count day for the public school academy and as corrected by a subsequent department audit If a pupil counted in membership in a public school academy on the December academy membership count day was previously counted in membership in a district on the immediately preceding pupil membership count day the district's pupil membership count for that pupil membership count day shall be reduced by 1/2 pupil If a pupil counted in membership in a public school academy on the April academy membership count day was previously counted in membership in a district on the immediately preceding supplemental count day the district's supplemental membership count for that supplemental count day shall be reduced by 1/2 pupil In addition all of the following apply to determining the membership of a district public school academy or intermediate district

(a) In a district operating an extended school year program approved by the state board a pupil enrolled but not scheduled to be in regular daily attendance on a pupil membership count day shall be counted

(b) Pupils to be counted in membership shall be not less than 5 years of age on December 1 and less than 20 years of age on September 1 of the school year except a special education pupil who is enrolled and receiving instruction in a special education program approved by the department and not having a high school diploma who is less than 26 years of age as of September 1 of the current school year shall be counted in membership

(c) An individual who has obtained a high school diploma shall not be counted in membership. An individual who has obtained a general education development (GED) certificate shall not be counted in membership.

(d) The department shall give a uniform interpretation of full time and part time memberships including an interpretation of full time membership for kindergarten pupils for 1994-95.

(e) An intermediate district that operates a program under section 86 may count in its membership the number of full time equated pupils who are enrolled and in regular daily attendance in the program under section 86 on the pupil membership count day in the current school year. A pupil counted in membership in an intermediate district under this subdivision shall not be counted in membership in a district.

(f) For the purposes of this subsection, full time equated memberships for pupils in grades 1 to 12 shall be determined by dividing the number of class hours scheduled and provided per year per pupil by 900 for 1994-95, 990 for 1995-96 and 1,035 for 1997-98 and 1,080 for 1999-2000 and succeeding fiscal years. Beginning in 1995-96, full time equated memberships for pupils in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to 1/2 the number used for determining full time equated memberships for pupils in grades 1 to 12.

(g) For a district that has qualified currently migrant pupils enrolled in the district as of the pupil membership count day who were not counted in membership in the district on the supplemental count day under section 6a for the immediately preceding school year as determined by the department using the criteria used for eligibility for the migrant education program under the Hawkins-Stafford elementary and secondary school improvement amendments of 1988, Public Law 100-297, the number of those pupils counted in the district's membership is 3/4 of the number of those pupils counted on the pupil membership count day only.

(h) For 1994-95 only, if a district has individuals at least age 16 as of December 1 and less than age 20 as of September 1 of the school year who are enrolled in the district in a department approved alternative education program conducted through an adult education program and who were not counted in membership in a district on the 1994 supplemental count day under section 6a, the number of those individuals counted in the district's membership is the number of those individuals counted as pupils on the district's 1994 pupil membership count day only.

(5) Public school academy means a public school academy operating under part 6a of the school code of 1976.

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

(7) Pupil membership count day of a district or intermediate district means

(a) The first Friday in October each school year.

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

(i) Fourth Friday in July.

(ii) Fourth Friday in October.

(iii) Fourth Friday in January.

(iv) Fourth Friday in April.

(8) Rule means a rule promulgated pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, as amended, being sections 24-201 to 24-328 of the Michigan Compiled Laws.

(9) The school code of 1976 means Act No. 451 of the Public Acts of 1976, as amended, being sections 380-1 to 380-1852 of the Michigan Compiled Laws.

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

(11) State board means the state board of education.

(12) Supplemental count day means the day on which the supplemental pupil count is conducted under section 6a.

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

(14) State school aid fund means the state school aid fund established in section 11 of article IX of the state constitution of 1963.

(15) Total state aid or total state school aid means the total combined amount of all funds due to a district, intermediate district, or other entity under all of the provisions of this act.

Sec. 6a. In addition to the pupil membership count day, there shall be a supplemental pupil count of the number of full time equated pupils in grades K-12 actually enrolled and in regular daily attendance on the second Friday in

February or for a district that is not in session on that day the immediately preceding day on which the district is in session For the purposes of this act the day on which the supplemental pupil count is conducted is the supplemental count day This section does not apply to public school academies

Sec 11 (1) There is appropriated for the public schools of this state and certain other state purposes relating to education from the state school aid fund established by section 11 of article IX of the state constitution of 1963 the sum of \$7 396 151 800 00 and from the general fund the sum of \$439 414 900 00 for the fiscal year ending September 30 1995 In addition available federal funds and \$139 500 000 00 from the reserve for health benefits are appropriated

(2) The appropriations under this section shall be allocated as provided in this act If the maximum amount appropriated under this section from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund but instead shall remain in a separate account in the state school aid fund to be used to augment funding under this act in a succeeding fiscal year in which the maximum amount appropriated under this section is not sufficient to fully fund allocations under this act from the state school aid fund

(3) In addition to the appropriations under subsection (1) for the fiscal year ending September 30 1995 there is appropriated from the general fund to the state school aid fund the amount necessary to reimburse the state school aid fund for the loss in state school aid fund revenue for 1994 95 resulting from Act No 3 of the Public Acts of 1994 as determined by the department of management and budget The estimated amount of the appropriation under this subsection is \$228 500 000 00

Sec 11a (1) There is appropriated for the fiscal year ending September 30 1994 in addition to any funds already appropriated a supplemental appropriation of \$954 170 500 00 from the state school aid fund for the purposes of this section

(2) Notwithstanding the appropriation in section 11 of money from the state school aid fund for the fiscal year ending September 30 1994 an amount equal to the difference between the total amount of revenue that is newly dedicated to the state school aid fund because of changes in statute or the state constitution of 1963 or both taking effect during the 1993 94 fiscal year and is deposited in the state school aid fund during the 1993 94 fiscal year and the amount of \$1 021 170 500 00 shall not be expended in the fiscal year ending September 30 1994 and also shall not be counted as being in the state school aid fund in the fiscal year ending September 30 1994 for the purpose of calculating the deficiency appropriated from the general fund under section 11 for the fiscal year ending September 30 1994 This amount shall not lapse to the general fund but shall remain in the state school aid fund and be carried forward in the state school aid fund to be expended in the fiscal year ending September 30 1995

(3) From the amount appropriated under subsection (1) there is allocated for 1993 94 an amount not to exceed \$97 470 500 00 for retirement reconciliation costs under section 147(3)

(4) From the amount appropriated under subsection (1) there is allocated for 1993 94 an amount not to exceed \$20 000 000 00 for funding the provisions of section 21c

(5) From the amount appropriated under subsection (1) there is allocated for 1993 94 an amount not to exceed \$4 000 000 00 for the purposes of section 101a(5) The amount allocated under this subsection is in addition to the amount allocated under section 101a(5)

(6) From the amount appropriated under subsection (1) there is allocated for 1993 94 only an amount not to exceed \$800 000 000 00 for making 3 additional payments to districts for 1993 94 only The payments shall be made on July 20 1994 August 20 1994 and September 20 1994 or on the next business day after each of those dates as provided in this subsection The amount of the July 20 1994 payment to a district under this subsection shall be calculated by dividing \$200 000 000 00 by the total statewide number of full time equated pupils in grades K to 12 actually enrolled and in regular daily attendance in districts on the 1993 94 pupil membership count day using the final audited 1993 94 pupil count and multiplying that quotient times the number of full time equated pupils in grades K to 12 actually enrolled and in regular daily attendance in that district on the 1993 94 pupil membership count day using the final audited 1993 94 pupil count The amount of the August 20 1994 payment and of the September 20 1994 payment to a district under this subsection shall be an amount equal to 1 1/2 times the amount of the district's July 20 1994 payment under this subsection A district shall not accrue a payment under this subsection to the school fiscal year ending June 30 1994

(7) From the amount appropriated under subsection (1) there is allocated for 1993 94 only an amount not to exceed \$32 700 000 00 for making additional payments to intermediate districts for 1993 94 only The payments shall be made on August 20 1994 and September 20 1994 or on the next business day after each of those dates The amount of each payment to an intermediate district under this section shall be an amount equal to 3.33% of the intermediate district's combined total revenue from millage levied by the intermediate district in 1993 for area vocational technical purposes under sections 681 to 690 of the school code of 1976 being sections 380 681 to 380 690 of the Michigan Compiled Laws for special education purposes under sections 1722 to 1729 of the school code of 1976 being sections 380 1722 to 380 1729 of the Michigan Compiled Laws and for intermediate district general operating purposes excluding any revenue from

millage levied for debt retirement purposes as determined by the department. An intermediate district shall not accrue a payment under this subsection to the school fiscal year ending June 30, 1994.

(8) If a district or intermediate district will experience a cash shortfall in meeting its July payroll before July 20, 1994, the district or intermediate district may apply to the state treasurer for an advance against its payments to be received under subsection (6) or (7). If the state treasurer determines that a district or intermediate district will experience such a cash shortfall, the state treasurer may advance to the district or intermediate district from its allocations under subsection (6) or (7) an amount sufficient to allow the district or intermediate district to meet its July payrolls that are payable before July 20, 1994.

Sec. 17b (1) Not later than October 20, November 20, December 20, January 20, February 20, March 20, April 20, May 20, and June 20, the department shall prepare a statement of the amount to be distributed under this act in the installment to the districts and intermediate districts and deliver the statement to the state treasurer, and the state treasurer shall pay the installments on each of those dates or on the next business day following each of those dates. Except as otherwise provided in this act, the portion of the district's or intermediate district's state fiscal year entitlement to be included in each installment shall be 1/9. However, the payments due to a district in 1994-95 on April 20, May 20, and June 20 pursuant to this section each shall be reduced by an amount equal to 1/3 of the district's total additional payments in 1993-94 under section 11a(6), and the payments due to an intermediate district in 1994-95 on April 20, May 20, and June 20 pursuant to this section each shall be reduced by an amount equal to 1/3 of the intermediate district's total additional payments in 1993-94 under section 11a(7).

(2) The state treasurer shall make payment under this section by drawing a warrant in favor of the treasurer of each district or intermediate district for the amount payable to the district or intermediate district according to the statement and delivering the warrant to the treasurer of each district or intermediate district, or if the state treasurer receives a written request by the treasurer of the district or intermediate district specifying an account, by electronic funds transfer to that account of the amount payable to the district or intermediate district according to the statement. The department may make adjustments in payments made under this section through additional payments when changes in law or errors in computation cause the regularly scheduled payment to be less than the amount to which the district or intermediate district is entitled pursuant to this act.

(3) Except as otherwise specified in this act, grant payments under this act shall be paid according to subsection (1).

(4) Upon the written request of a district or intermediate district operating under an approved deficit reduction plan under section 102 and the submission of proof satisfactory to the department of a need of a temporary and nonrecurring nature, the superintendent, with the written concurrence of the state treasurer and the director of management and budget, may authorize an advance release of funds due a district or intermediate district under this act. Such an advance shall not cause funds to be paid to a district or intermediate district more than 30 days earlier than the established payment date for those funds.

Sec. 17c. Notwithstanding section 17b, for 1993-94 only, the department shall ensure that grant payments under sections 23b, 47(2), 91, 92a, 101a, and 149a are made so that the grant recipient receives 100% of the grant amount for 1993-94 not later than June 20, 1994.

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

(2) For the purpose of determining the reasonableness of expenditures and whether a violation of this act has occurred, the department shall require that each district have an audit of the district's financial and pupil accounting records conducted at least annually at the expense of the district by a certified public accountant or by the intermediate district superintendent, as may be required by the department, or in the case of a district of the first class by a certified public accountant, the intermediate superintendent, or the auditor general of the city. The financial and pupil accounting records audits shall be accompanied by the district's or intermediate district's annual financial audit, which shall include an analysis of the financial and pupil accounting data used as the basis for distribution of state school aid. The audits and management letters are subject to requirements established in the auditing and accounting manuals approved and published by the department. Except as otherwise provided in this subsection, a copy of the report of each audit shall be filed, as required by the department, not later than 120 days after the end of each school fiscal year and shall be available to the public in compliance with the freedom of information act, Act No. 442 of the Public Acts of 1976, as amended, being sections 15-231 to 15-246 of the Michigan Compiled Laws. The report of the final audit of a district's

supplemental pupil count under section 6a shall be filed as required by the department not later than 120 days after the beginning of the next state fiscal year Not later than December 1 of each year the department shall notify the department of management and budget and the legislative appropriations subcommittees responsible for review of the school aid budget of districts that have not filed an audit required under this section for the school year ending in the immediately preceding fiscal year

(3) Each district and intermediate district shall file with the department an annual comprehensive financial report on a form and in the manner prescribed by the department A district shall file the report with the intermediate district not later than 120 days after the end of each school year An intermediate district shall forward the reports for its constituent districts and the report for the intermediate district to the department by November 15 of each year

(4) If a district that is a public school academy purchases property using money received under this act the public school academy shall retain ownership of the property unless the public school academy sells the property at fair market value

(5) If a district or intermediate district does not comply with subsection (2) or (3) the department shall withhold 5% of the funds due to the district or intermediate district under this act until the district or intermediate district complies with subsections (2) and (3) If the district or intermediate district does not comply with subsections (2) and (3) by the end of the fiscal year the district or intermediate district forfeits the amount withheld

Sec 19 (1) A district shall comply with the requirements of sections 1204a 1277 1278 and 1280 of the school code of 1976 being sections 380 1204a 380 1277 380 1278 and 380 1280 of the Michigan Compiled Laws commonly referred to as public act 25 of 1990 In developing the annual education report described in section 1204a of the school code of 1976 a district shall use data disaggregated by gender

(2) Each district and intermediate district shall provide to the department in a form and manner prescribed by the department information necessary for the development of an annual progress report on the implementation of sections 1204a 1277 1278 and 1280 of the school code of 1976 commonly referred to as public act 25 of 1990 and on the achievement of national education goals

(3) If a district or intermediate district fails to meet the requirements of subsection (2) and sections 1204a 1277 and 1278 of the school code of 1976 the department shall withhold 5% of the total funds for which the district or intermediate district qualifies under this act until the district or intermediate district complies with all of those sections If the district or intermediate district does not comply with all of those sections by the end of the fiscal year the department shall place the amount withheld in an escrow account until the district or intermediate district complies with all of those sections

(4) If a school in a district is not accredited under section 1280 of the school code of 1976 or is not making satisfactory progress toward meeting the standards for that accreditation the department shall withhold 5% of the total funds for which the district qualifies under this act that are attributable to pupils attending that school The department shall place the amount withheld from a district under this subsection in an escrow account and shall not release the funds to the district until the district submits to the department a plan for achieving accreditation for each of the district's schools that are not accredited under section 1280 of the school code of 1976 or are not making satisfactory progress toward meeting the standards for that accreditation

Sec 20 (1) Except as otherwise provided in this act from the appropriation in section 11 there is allocated for 1994 95 an amount not to exceed \$7 245 000 000 00 to guarantee each district a foundation allowance per membership pupil and to make payments under this section to public school academies The amount of each district's foundation allowance shall be calculated as provided in this section using a basic foundation allowance for 1994 95 in the amount of \$5 000 00 If the maximum amount allocated under this section is not sufficient to fully fund payments under this section the amount of each district's foundation allowance and the dollar amount prescribed in subsection (10) shall be prorated as necessary This proration shall be made by reducing by an equal percentage each district's foundation allowance the \$6 500 00 figure in subsection (6) and the \$5 500 00 figure in subsection (10)

(2) For 1995 96 and each succeeding fiscal year the basic foundation allowance shall be determined by multiplying the amount of the basic foundation allowance for the immediately preceding state fiscal year by the final index calculated under this subsection This result is the amount of the basic foundation allowance per membership pupil for the current state fiscal year The final index to be used shall be determined as follows

(a) The numerator of the fraction to be used in calculating the index is the total state school aid fund revenue for the current state fiscal year adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund

(b) The denominator of the fraction to be used in calculating the index is the total state school aid fund revenue for the immediately preceding state fiscal year adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund

(c) The resulting revenue adjustment factor derived under subdivisions (a) and (b) shall then be adjusted by a pupil membership adjustment factor. The pupil membership adjustment factor shall be computed by dividing the membership for the school year ending in the immediately preceding state fiscal year by the membership for the school year ending in the current state fiscal year. This pupil adjustment factor shall be multiplied by the fraction derived under subdivisions (a) and (b) to determine the final index.

(3) Subject to subsections (17) and (18) for the 1994-95 state fiscal year, the amount of a district's foundation allowance shall be calculated as follows:

(a) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of less than \$4,200.00, the district's foundation allowance for 1994-95 is \$4,200.00 or an amount equal to the sum of the district's combined state and local revenue per membership pupil in the 1993-94 state fiscal year plus \$250.00, whichever is greater.

(b) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of at least \$4,200.00 but less than \$6,500.00, the district's foundation allowance for 1994-95 is the sum of the district's combined state and local revenue per membership pupil in the 1993-94 state fiscal year plus [\$250.00 - (\$90.00 times the ratio calculated by subtracting \$4,200.00 from the district's combined state and local revenue per membership pupil in the 1993-94 state fiscal year and dividing that difference by 2,300)].

(c) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of \$6,500.00 or more, the district's foundation allowance for 1994-95 is the sum of the district's combined state and local revenue per membership pupil in 1993-94 plus \$160.00.

(4) For 1994-95, that portion of a district's foundation allowance that exceeds \$5,000.00 is considered to be a supplemental allowance. For 1995-96 and succeeding state fiscal years, that portion of a district's foundation allowance that exceeds the sum of \$5,000.00 plus the dollar amount of all adjustments made since 1994-95 in the basic foundation allowance pursuant to the index under subsection (2) is considered to be a supplemental allowance. For a district described in subsection (3)(c), the district's supplemental allowance shall not exceed \$1,500.00.

(5) Beginning in the 1995-96 state fiscal year, subject to subsection (18), the amount of a district's foundation allowance shall be calculated as follows, using in all calculations the total amount of the district's foundation allowance as calculated before any proration:

(a) For a district that in the immediately preceding state fiscal year had a foundation allowance at least equal to the sum of \$4,200.00 plus the total dollar amount of all adjustments made from 1994-95 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts pursuant to the index under subsection (2), but that did not qualify for a supplemental allowance described in subsection (4) in the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance pursuant to the index under subsection (2) and [(the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance pursuant to the index under subsection (2) minus \$50.00) times (the difference between the district's foundation allowance for the immediately preceding state fiscal year and the sum of \$4,200.00 plus the total dollar amount of all adjustments made from 1994-95 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts pursuant to the index under subsection (2)) divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of \$4,200.00 plus the total dollar amount of all adjustments made from 1994-95 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts pursuant to the index under subsection (2)]. However, the foundation allowance for a district that did not qualify for a supplemental allowance described in subsection (4) in the immediately preceding state fiscal year shall not exceed the basic foundation allowance for that state fiscal year.

(b) For a district that in the immediately preceding state fiscal year had a foundation allowance of less than the sum of \$6,500.00 plus the total dollar amount of all adjustments made since 1994-95 in the basic foundation allowance pursuant to the index under subsection (2) and that qualified for a supplemental allowance described in subsection (4) in the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance pursuant to the index under subsection (2).

(c) For a district that had combined state and local revenue per membership pupil in the 1994-95 state fiscal year of \$6,500.00 or more, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year in the basic foundation allowance pursuant to the index under subsection (2).

(6) Subject to subsection (7) to ensure that a district receives the district's foundation allowance there is allocated to each district a state portion of the district's foundation allowance in an amount calculated under this subsection. The state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or \$6 500 00 whichever is less minus the difference between the product of the state equalized valuation per membership pupil of all property in the district that is not a homestead or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993 94 and the quotient of the ad valorem property tax revenue of the district captured under Act No. 197 of the Public Acts of 1975 being sections 125 1651 to 125 1681 of the Michigan Compiled Laws the tax increment finance authority act Act No. 450 of the Public Acts of 1980 being sections 125 1801 to 125 1830 of the Michigan Compiled Laws or the local development financing act Act No. 281 of the Public Acts of 1986 being sections 125 2151 to 125 2174 of the Michigan Compiled Laws divided by the district's membership. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963 the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur.

(7) Beginning in 1995 96 if a district's combined state and local revenue per membership pupil is greater than twice the basic foundation allowance for the current state fiscal year as adjusted under subsection (2) the payment of the state portion of the district's foundation allowance as calculated under subsection (6) shall be reduced by 1/2 of the dollar amount by which the ratio of the district's foundation allowance to the basic foundation allowance in a fiscal year exceeds that same ratio in the 1994 95 fiscal year.

(8) The indices to be computed under this section for each state fiscal year shall be a topic of each revenue estimating conference conducted under section 367b of the management and budget act Act No. 431 of the Public Acts of 1984 being section 18 1367b of the Michigan Compiled Laws. If a revenue estimating conference fails to reach a consensus on the estimate of an index the state treasurer shall compute an estimated index and certify it to the director of the department of management and budget and the superintendent of public instruction. The state treasurer also shall compute a final index for each fiscal year based upon available data and certify the final index to the director of the department of management and budget and the superintendent of public instruction not later than 120 days following the end of that fiscal year. If the final certified index for a fiscal year differs from the estimated index used in the adoption of the state budget for the fiscal year and used during the fiscal year as the basis for making payments under this act the department shall make any necessary payment adjustments to reflect the final certified index.

(9) For a pupil in membership in a district other than the pupil's district of residence the allocation under this section shall be based on the lesser of the foundation allowance of the district of residence or the foundation allowance of the district of enrollment.

(10) Subject to subsection (11) for pupils in membership in a public school academy there is allocated under this section for 1994 95 to the authorizing body that is the fiscal agent for a public school academy for forwarding to the public school academy an amount per membership pupil in the public school academy equal to the sum of the local school operating revenue per membership pupil for the district in which the public school academy is located and the state portion of that district's foundation allowance or \$5 500 00 whichever is less. For 1995 96 and each succeeding fiscal year the \$5 500 00 amount prescribed in this subsection shall be adjusted by an amount equal to the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year in the basic foundation allowance pursuant to the index under subsection (2) as determined by the department of treasury.

(11) If more than 25% of the pupils residing within a district are in membership in a public school academy located in the district then the amount per membership pupil allocated under this section to the authorizing body that is the fiscal agent for a public school academy located in the district for forwarding to the public school academy shall be reduced by an amount equal to the local school operating revenue per membership pupil in the school fiscal year ending in the current state fiscal year calculated as if the resident pupils in membership in a public school academy located in the district were in membership in the district. In order to receive state school aid under this act a district described in this subsection shall pay to the authorizing body that is the fiscal agent for a public school academy located in the district for forwarding to the public school academy an amount equal to that local school operating revenue per membership pupil for each resident pupil in membership in the public school academy as determined by the department.

(12) If a district had combined state and local revenue per membership pupil in the 1994 95 state fiscal year of more than \$6 500 00 the district may reduce the number of mills from which a homestead and qualified agricultural property are exempt and levy school operating taxes on a homestead and qualified agricultural property as provided in section 1211 of the school code of 1976 being section 380 1211 of the Michigan Compiled Laws. However if the district does not receive a payment under subsection (13) if the number of mills a district described in this subsection may levy on a homestead and qualified agricultural property is 0.5 mills or less and if the district elects not to levy those mills the district instead shall receive a separate supplemental payment under this subsection in an amount equal to the amount the district would have received had it levied those mills as determined by the department of treasury. A district shall not receive a separate supplemental payment under this subsection for a fiscal year unless in the calendar year ending in the fiscal year the district levies 18 mills or the number of mills of school operating taxes levied by the district in 1993 whichever is less on property that is not a homestead or qualified agricultural property.

(13) For a district that had combined state and local revenue per membership pupil in the 1993 94 state fiscal year of more than \$6 500 00 and that had fewer than 350 pupils in membership if the district elects not to reduce the number of mills from which a homestead and qualified agricultural property are exempt and not to levy school operating taxes on a homestead and qualified agricultural property as provided in section 1211 of the school code of 1976 there is allocated under this subsection for 1994 95 and each succeeding fiscal year a separate supplemental payment in an amount equal to the amount the district would have received per membership pupil had it levied school operating taxes on a homestead and qualified agricultural property at the rate authorized for the district under section 1211 of the school code of 1976 as determined by the department of treasury A district shall not receive a separate supplemental payment under this subsection for a fiscal year unless in the calendar year ending in the fiscal year the district levies 18 mills or the number of mills of school operating taxes levied by the district in 1993 whichever is less on property that is not a homestead or qualified agricultural property

(14) State allocations to a district or public school academy under this section shall be adjusted by subtracting from the allocations the lesser of an amount equal to 50% of the money received under section 3(c)(1) of title I of chapter 1124 64 Stat 1100 20 U S C 238 or \$160 00 per membership pupil A deduction in any year shall not exceed the amount of deductible impact aid for which a district is eligible under section 3(c)(1) of title I of chapter 1124 64 Stat 1100 20 U S C 238 Any deductions made under this act shall be consistent with the requirements of section 5 of title I of chapter 1124 64 Stat 1100 20 U S C 240 and its regulations

(15) A district or public school academy may use any funds allocated under this section in conjunction with any federal funds for which the district or public school academy otherwise would be eligible

(16) The legislature shall continue to work toward greater equity among districts foundation allowances

(17) For the purposes of calculating the amount of a district s foundation allowance for 1994 95 under this section if a district s combined state and local revenue per membership pupil in the 1992 93 state fiscal year was greater than the district s combined state and local revenue per membership pupil in the 1993 94 state fiscal year the amount of the district s combined state and local revenue per membership pupil in the 1993 94 state fiscal year shall be considered to be an amount equal to 1/2 of the sum of the district s combined state and local revenue per membership pupil in the 1993 94 state fiscal year plus the district s combined state and local revenue per membership pupil in the 1992 93 state fiscal year In order to calculate a district s combined state and local revenue per membership pupil in the 1992 93 state fiscal year all references in subsection (20) to 1993 94 shall be considered to read 1992 93 and all references in subsection (20) to an August payment for a particular year shall be considered to be to the August payment for the immediately preceding year but the definition of membership to be used is the definition of membership in effect for 1993 94 under section 6

(18) For a district that is formed or reconfigured after June 1 1994 by consolidation of 2 or more districts or by annexation the resulting district s foundation allowance under this section shall be the average of the foundation allowances of each of the original or affected districts calculated as provided in this section weighted as to the percentage of pupils in total membership in the resulting district who reside in the geographic area of each of the original districts If an affected district s foundation allowance is less than the basic foundation allowance as adjusted under subsection (2) the amount of that district s foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the basic foundation allowance

(19) All fractions used in making calculations under this section shall be rounded to the fourth decimal place and the dollar amount of an increase in a foundation allowance shall be rounded to the nearest whole dollar

(20) As used in this section

(a) Combined state and local revenue per membership pupil except as provided in this subsection means the aggregate of the district s state school aid received by or paid on behalf of the district under this section except for payments received because of an adjustment in the district s state school aid for a prior fiscal year and the district s local school operating revenue divided by the district s membership For the purpose of calculating a district s combined state and local revenue per membership pupil in the 1994 95 state fiscal year only combined state and local revenue per membership pupil does not include the payment received by the district under section 20c For the purpose of calculating a district s combined state and local revenue per membership pupil in the 1993 94 state fiscal year only combined state and local revenue per membership pupil means the aggregate of the following divided by the number of full time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the 1993 94 pupil membership count day as determined by the department using the unaudited count completed by the department not later than 60 days after the pupil membership count day or the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the state board and as corrected by a subsequent department audit

(i) Total state school aid received by or paid on behalf of the district pursuant to this act in 1993 94 including the amount of a district s August 1994 payment delayed under section 17b and excluding payments received because of an adjustment in the district s state school aid for a prior fiscal year and all of the following received by the district for 1993 94

- (A) Money received by the district under section 17b for restoring the delayed August 1993 payment
- (B) Early childhood grants under section 36
- (C) All special education payments under article 5
- (D) Special education transportation under former section 71 as calculated under former section 72
- (E) Federal impact aid adjustments under former section 21(3)
- (F) Economic development job training grant payments under section 107a
- (G) Edge program payments under section 107b
- (H) Adult literacy grant payments under former section 107c
- (I) Adult education categorical payments under former section 107d
- (J) Payments under former section 28 to a district in which a federal military air base closed
- (K) Bilingual education payments under section 41
- (L) Payments for court placed pupils under section 24(2)
- (M) Payments for grants under former section 98a
- (N) Mathematics and science center payments under section 99
- (O) Repayments attributable to the repeal of part 7a of the school code of 1976
- (P) Payments under section 145 for costs of court ordered desegregation
- (Q) For a district that had combined state and local revenue per membership pupil in the 1993 94 state fiscal year of less than \$6 500 00 an amount equal to 1/3 of compensatory education payments under former section 31
- (R) Professional development payments under former section 98
- (S) Payments under former section 11a(6)
- (T) For a district that had a deduction in 1993 94 under former section 21(5) that was greater than the district's deduction in 1992 93 under former section 21(5) an amount equal to 50% of the increase in the district's deduction from 1992 93 to 1993 94 under former section 21(5)
- (U) Payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services for intermediate district center programs operated by the district under article 5
- (V) Adjustments under sections 101 and 164
- (W) An amount equal to 50% of payments under former section 47(3)
- (X) Except for a district that served as the fiscal agent for a vocational education consortium in the 1993 94 school year vocational education payments under former section 61
- (i) Local school operating revenue for 1993 94
- (ii) Eligible fund equity expenditures for 1993 94
- (iv) The amount of transportation funding under article 7 paid to an intermediate district that is attributable to transportation services provided in 1993 94 by the intermediate district for the district's pupils within the district based on a report submitted not later than May 15 1994 to the department of treasury by the intermediate district detailing the number of pupils within each district for whom the intermediate district provided those transportation services
- (v) An amount equal to 50% of the amount of funding under former section 47(3) for gifted and talented programs paid to an intermediate district that is attributable to services provided in 1993 94 by the intermediate district for the district's pupils within the district based on a report submitted not later than May 27 1994 to the department of treasury by the intermediate district detailing the number of pupils within each district for whom the intermediate district provided those services However the amount included under this subparagraph for a district shall be reduced by a percentage equal to the percentage of the district's deduction if any under former section 21(5) for 1993 94
- (b) Current state fiscal year means the state fiscal year for which a particular calculation is made
- (c) Eligible fund equity expenditures for 1993 94 means an amount calculated by the department of treasury equal to the district's budgeted expenditures from the district's fund equity for 1993 94 as provided for in the district's official board adopted budget as of December 31 1993 and reported to the department of treasury not later than May 27 1994 and as adjusted not later than June 6 1994 prorated on an equal percentage basis so that the total statewide amount of eligible fund equity expenditures for 1993 94 does not exceed \$30 000 000 00
- (d) Homestead means that term as defined in section 1211 of the school code of 1976 being section 380 1211 of the Michigan Compiled Laws
- (e) Immediately preceding state fiscal year means the state fiscal year immediately preceding the current state fiscal year

(f) Local school operating revenue means subject to subdivision (a) school operating taxes levied under section 1211 of the school code of 1976 For calculating a district's local school operating revenue for 1993 94 local school operating revenue includes school operating taxes for the 1993 94 school fiscal year but does not include a district's revenue from money received by the district in the 1993 94 school fiscal year from federal impact aid under section 3(c)(1) of title I of chapter 1124 64 Stat 1100 20 U S C 238 from federal payments in lieu of taxes or from penalties and interest on delinquent property and specific taxes For calculating a district's local school operating revenue for 1993 94 only local school operating revenue includes all of the following specific tax revenue levied and retained by the district for school operating purposes for the 1993 94 school fiscal year that was reported to the department of treasury not later than February 1 1994 as corrected by subsequent department of treasury audit prorated so that the total statewide amount of the following specific tax revenue included in local school operating revenue does not exceed \$85 000 000 00

(i) Industrial facilities tax levied under section 11 of Act No 198 of the Public Acts of 1974 being section 207 561 of the Michigan Compiled Laws and retained by the district

(ii) Commercial facilities tax levied under section 12 of the commercial redevelopment act Act No 255 of the Public Acts of 1978 being section 207 662 of the Michigan Compiled Laws and retained by the district

(iii) Commercial forest specific tax described in section 7a of Act No 94 of the Public Acts of 1925 being section 320 307a of the Michigan Compiled Laws retained by the district

(iv) Technology park facilities tax levied under section 12 of the technology park development act Act No 385 of the Public Acts of 1984 being section 207 712 of the Michigan Compiled Laws and retained by the district

(v) Enterprise zone facilities tax levied under section 21 of the enterprise zone act Act No 224 of the Public Acts of 1985 being section 125 2121 of the Michigan Compiled Laws and retained by the district

(vi) Neighborhood enterprise zone tax levied under section 9 of the neighborhood enterprise zone act Act No 147 of the Public Acts of 1992 being section 207 779 of the Michigan Compiled Laws and retained by the district

(vii) Commercial housing facilities tax levied pursuant to Act No 438 of the Public Acts of 1976 being sections 207 601 to 207 615 of the Michigan Compiled Laws and retained by the district

(viii) The specific tax relating to trailer coach parks levied under section 41 of Act No 243 of the Public Acts of 1959 being section 125 1041 of the Michigan Compiled Laws and retained by the district

(ix) Revenue received by the district from fees or taxes on private forest preserves pursuant to section 11 of Act No 86 of the Public Acts of 1917 being section 320 281 of the Michigan Compiled Laws

(x) Specific tax on low grade iron ore levied under Act No 77 of the Public Acts of 1951 being sections 211 621 to 211 626 of the Michigan Compiled Laws and retained by the district

(xi) Revenue received by the district from state payments in lieu of taxes under section 1 of Act No 116 of the Public Acts of 1917 being section 211 581 of the Michigan Compiled Laws

(xii) Revenue received by the district from state payments in lieu of taxes under section 7d of the general property tax act Act No 206 of the Public Acts of 1893 being section 211 7d of the Michigan Compiled Laws

(xiii) Revenue received by the district from payments in lieu of taxes under section 15a of the state housing development authority act of 1966 Act No 346 of the Public Acts of 1966 being section 125 1415a of the Michigan Compiled Laws

(g) Local school operating revenue per membership pupil means a district's local school operating revenue divided by the district's membership

(h) Membership means except as otherwise provided in subdivision (a) the definition of that term under section 6(4) as in effect for the particular fiscal year for which a particular calculation is made

(i) Qualified agricultural property means that term as defined in section 1211 of the school code of 1976

(j) School operating purposes means the purposes included in the operation costs of the district as prescribed in section 7

(k) School operating taxes means local ad valorem property taxes levied and retained for school operating purposes For determining a district's school operating taxes for 1993 94 school operating taxes does not include any of the following

(1) The number of mills of property tax levied in 1993 by a district for payment of principal or interest on notes or bonds issued to fund an operating deficit pursuant to section 1356 of the school code of 1976 being section 380 1356 of the Michigan Compiled Laws

(2) The number of mills of property taxes levied in 1993 by a district for operating a community college under part 25 of the school code of 1976 being sections 380 1601 to 380 1607 of the Michigan Compiled Laws as reported by the district to the department for the purpose of compiling the activity classification structure data under section 204 of Act No 163 of the Public Acts of 1993

(iii) The number of mills of property taxes levied in 1993 by a district that is a school district of the first class that are attributable to payments by the district to a public library commission pursuant to section 11(d) of the property tax limitation act Act No 62 of the Public Acts of 1933 being section 211 211 of the Michigan Compiled Laws

(iv) The number of mills of property taxes levied in 1993 by a district for the operation of a library established pursuant to Act No 261 of the Public Acts of 1913 being sections 397 261 to 397 262 of the Michigan Compiled Laws or levied in 1993 by a district for operation of a library under section 260 or 1451 of the school code of 1976 being sections 380 260 and 380 1451 of the Michigan Compiled Laws that were not included in the operating millage reported by the district to the department as of April 1 1993 However a district may report to the department not later than April 1 1994 the number of mills the district levied in 1993 for a purpose described in this subparagraph that the district does not want considered as operating millage and then that number of mills is excluded from school operating taxes for the purposes of this section but that exclusion shall not affect a district's 1993 94 allocation under this act

(v) The number of mills of property taxes levied in 1993 by a district under section 1212 of the school code of 1976 being section 380 1212 of the Michigan Compiled Laws

(vi) The number of mills levied in 1993 for operation of a community swimming pool for which the district had separate approval of the school electors before 1994 If a district included the millage it levied in 1993 for operation of a community swimming pool as part of its operating millage reported to the department for 1993 the district may report to the department not later than June 16 1994 the number of mills it levied in 1993 for operation of a community swimming pool that the district does not want considered as operating millage and then that number of mills is excluded from school operating taxes for the purposes of this section Exclusion of millage under this subparagraph shall not affect a district's 1993 94 allocation under this act

(l) State equalized valuation per membership pupil means state equalized valuation as certified by the department of treasury for the calendar year ending in the current state fiscal year divided by the district's membership for the school year ending in the current state fiscal year

Sec 20a Payments for 1994 95 under section 20 shall initially be calculated according to estimates by the department of treasury and shall be adjusted as necessary by the department of treasury according to the department of treasury's calculations Not later than June 20 1994 the department of treasury shall provide to each district a statement of the department of treasury's determination of the district's combined state and local revenue per membership pupil in the 1993 94 state fiscal year using the definitions under section 20 of the department of treasury's millage rate determinations for the district under section 20 and of the data used by the department of treasury to make those determinations Not later than July 20 1994 a district may appeal the determinations made by the department of treasury for the district under this section An appeal under this subsection shall be made to the superintendent of public instruction who may assign the appeal to a hearing officer An appeal shall address only the interpretation and application of this section and section 20 The superintendent of public instruction shall offer any appealing district an appeal conference to attempt to resolve the issues raised in the appeal without a hearing If the appeal conference does not resolve the issues the superintendent of public instruction or hearing officer may conduct a hearing Based upon the appeal the information submitted by the district and the information provided by the department of treasury the hearing officer shall submit a proposed decision to the superintendent of public instruction either affirming the determinations made by the department of treasury or directing the department of treasury to make specific adjustments Not later than 30 days after receiving the proposed decision the superintendent of public instruction shall issue a final decision either affirming the determinations made by the department of treasury or directing the department of treasury to make specific adjustments and provide a copy to the district The final determinations made under this subsection shall be used for all applicable calculations under this act except that the final determination of a district's combined state and local revenue per membership pupil in the 1993 94 state fiscal year shall subsequently be adjusted based on the final audited data for the school fiscal year ending in 1994

Sec 21b (1) Subject to subsection (2) a district shall use funds allocated under this act to support the attendance of a district pupil at a public or private degree granting postsecondary institution that is located in this state or that is a party to a reciprocal agreement approved by the state board with a public or private degree granting postsecondary institution located in this state if all of the following conditions are met

(a) The pupil has earned sufficient credits so that he or she is in at least grade 12 and has qualified for a state endorsement in all of the subject areas specified in section 104a but he or she has not yet completed all local graduation requirements

(b) The pupil is enrolled in the district and is also enrolled in the postsecondary institution during the district's regular academic year

(2) A district shall pay tuition and fees under this section only for a course that is not offered by the district and is an academic course not ordinarily taken as an activity course

(3) Not later than August 15 of each year a district shall provide to each pupil who will be in grade 12 in the upcoming school year a letter describing the conditions under which a pupil is eligible for tuition and fee support under

the criteria specified in this section. Upon request by an eligible pupil or his or her parent or guardian, the district shall provide to the eligible pupil a letter signed by the pupil's principal indicating the pupil's eligibility.

(4) If the pupil provides the postsecondary institution with written proof of eligibility for tuition and fee support from the district, a postsecondary institution enrolling a pupil described in this section shall transmit to the district a bill detailing the tuition and fees for the dual enrollment course of the dually enrolled pupil. The district shall cause to be paid to the postsecondary institution on behalf of the pupil an amount not to exceed the lesser of the actual charge for tuition and fees or the sum of the district's local school operating revenue per membership pupil and the state portion of the district's foundation allowance under section 20, adjusted for the proportion of the school year that the pupil attends the postsecondary institution. The pupil is responsible for payment of the remainder of the tuition and fees associated with his or her dual enrollment. As used in this subsection, local school operating revenue per membership pupil means that term as defined in section 20.

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

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

(7) Each intermediate district shall collect from its constituent districts and provide to the department, at the same time as it submits the annual comprehensive financial report required under section 18(3), a report on the dollars expended for dually enrolled pupils, the number of pupils eligible for dual enrollment, and the number of dually enrolled pupils during the immediately preceding school year in each of its constituent districts. Not later than March 1 of each year, the department shall prepare and submit to the house and senate fiscal agencies and the department of management and budget a summary annual report based on the information received under this subsection.

(8) A district shall not restrict a pupil's attendance at a postsecondary institution described in subsection (1) based solely on whether or not the pupil is eligible for tuition and fee support under this section.

Sec 21c. In addition to the funds listed in section 21(7), funds due under sections 21e, 28, 52, and 107d and payments for special education transportation under section 71, as calculated under section 72, shall not be counted for purposes of section 21(5).

Sec 21d. From the appropriation in section 11, there is allocated for 1994-95 an amount not to exceed \$100,000.00 for reorganization planning grants. Applications for reorganization planning grants shall be submitted to the department in the form and manner prescribed by the department. A reorganization planning grant shall not exceed \$15,000.00.

Sec 21e. (1) From the appropriation in section 11, there is allocated for 1993-94 only to each district that meets the requirements specified in subsection (2) an amount equal to 50% of the amount deducted under section 21(5) from the district's total allocation under this act for 1993-94.

(2) A district is eligible for an allocation under this section if the district meets all of the following:

(a) The district is subject to a deduction under section 21(5) for 1993-94.

(b) The district was not subject to a deduction under section 21(5) for 1992-93.

Sec 24. (1) Subject to subsection (3), a pupil under court jurisdiction who is placed in a private home or in a private or public institution located outside the district in which the pupil's parents or legal guardians reside, or an intermediate school district operating a program in a home operated by the juvenile division of the probate court under section 628 of the school code of 1976, being section 380-628 of the Michigan Compiled Laws, or by a county board of commissioners under an agreement with the probate court that has a term of at least 1 year and is unilaterally revocable by the probate court, may be counted as a resident of the district or intermediate district of attendance if other than the district in which the pupil's parents or legal guardian resides. The pupil shall be counted in membership by the district or intermediate district of attendance. The total full time equated number of these pupils shall be computed by adding the membership days attended by the pupils in the district or intermediate district and dividing the total by the number of days in the school year of the district or intermediate district. The number thus obtained shall be certified by the district to the department, which shall adjust the total membership of the district or intermediate district accordingly in determining the school aid to be paid during the fiscal year.

(2) Subject to subsection (3), a pupil under court jurisdiction who is placed in a juvenile detention facility or child caring institution licensed by the state department of social services and approved by the department to provide an on grounds education program may be counted in membership in the district or intermediate district providing the instruction to the pupil. The pupil shall be counted as 1 1/2 memberships. The total full time equated number of pupils counted under this subsection shall be computed by adding the membership days attended by the pupils in the district or intermediate district and dividing the total by the number of days in the school year of the district or intermediate district. The number thus obtained shall be certified by the district providing the instruction to the department, which shall adjust the total membership of the district accordingly in determining the school aid to be paid during the fiscal

year The total amount to be paid for 1994 95 for additional membership under this subsection shall not exceed \$5 800 000 00 and the department shall prorate the memberships accordingly

(3) Special education pupils funded under section 53 shall not be counted under this section

Sec 26 A district or intermediate district receiving money pursuant to Act No 197 of the Public Acts of 1975 being sections 125 1651 to 125 1681 of the Michigan Compiled Laws the tax increment finance authority act Act No 450 of the Public Acts of 1980 being sections 125 1801 to 125 1830 of the Michigan Compiled Laws or the local development financing act Act No 281 of the Public Acts of 1986 being sections 125 2151 to 125 2174 of the Michigan Compiled Laws shall have its funds received under section 20 56 or 62 reduced by an amount equal to the added local money

Sec 28a (1) From the appropriation in section 11 there is allocated to a district in which a federal military air base closed in 1993 the amount necessary to ensure that the district's total combined state and local revenue for 1994 95 is equal to at least 100% of the district's total combined state and local revenue for 1993 94 as determined by the department

(2) It is the intent of the legislature that beginning in 1995 96 if a district experiences the closure of a federal military installation the legislature will consider making a transitional allocation to the district for mitigating the impact of the closure

Sec 31a (1) From the appropriation in section 11 there is allocated for 1994 95 an amount not to exceed \$230 000 000 00 for payments to eligible applicant districts and eligible applicant public school academies under this section Eligible districts and eligible public school academies shall receive an additional allowance under this section based on the number of pupils in the district or public school academy who meet the income eligibility criteria for free lunch as determined under the national school lunch act chapter 281 60 Stat 230 42 U S C 1751 to 1753 1755 to 1761 1762a 1765 to 1766a and 1769 to 1769e

(2) To be eligible to receive funding under this section a district shall apply to the department in a form and manner prescribed by the department and the district must meet all of the following

(a) The district's combined state and local revenue per membership pupil in the 1994 95 state fiscal year as calculated under section 20 is less than \$6 500 00

(b) The district agrees to use the funding only for purposes allowed under this section and to comply with the program and accountability requirements under this section

(3) To be eligible to receive funding under this section a public school academy shall apply to the department in a form and manner prescribed by the department and shall agree to use the funding only for purposes allowed under this section and to comply with the program and accountability requirements under this section

(4) An eligible district or eligible public school academy shall receive under this section for each membership pupil in the district or public school academy who meets the income eligibility criteria for free lunch as determined under the national school lunch act and as reported to the department by October 31 and adjusted not later than December 31 an amount per pupil equal to 11 5% of the district's foundation allowance or of the public school academy's per membership pupil allocation under section 20(10) for the current state fiscal year Until receipt of October 31 1994 data the department shall make estimated payments under this section using final adjusted data for October 31 1993

(5) Subject to subsections (8) and (9) a district or public school academy receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services including but not limited to medical or counseling services for at risk pupils and for the purposes of subsection (6) and shall not use any of that money for administrative costs or except as otherwise provided in this subsection to supplant funds except for funds received in 1993 94 under former section 27 or former section 31 already being used by the district for at risk pupils A district may use a percentage determined by dividing the number of pupils in the district who meet the income eligibility criteria for free lunch described in subsection (1) by the district's membership of the funds received under this section to replace sources of revenue dedicated to at risk pupils in 1993 94 The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year and may be conducted using a tutorial method with paraprofessionals working under the supervision of a certificated teacher The ratio of pupils to paraprofessionals shall be between 10 1 and 15 1 Only 1 certificated teacher is required to supervise instruction using a tutorial method

(6) A district or public school academy that receives funds under this section and that operates a school breakfast program under section 1272a of the school code of 1976 being section 380 1272a of the Michigan Compiled Laws shall use from those funds an amount not to exceed \$10 00 per pupil for whom the district or public school academy receives funds under this section necessary to operate the school breakfast program

(7) A district or public school academy receiving funding under this section shall provide accountability for the program by submitting a report not to exceed 10 pages of the district's or public school academy's expenditures under this section to the department The report shall specify the amount of funds received and expended under this section

the amount of funds expended in 1993 94 for at risk pupils the amount of funds received under this section expended by the district or public school academy on migrant pupils and the percentage of the total amount of funds received under this section by the district or public school academy that are expended by the district or public school academy on migrant pupils

(8) Subject to subsection (6) any district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K 6 or any combination of those grades in school buildings in which the percentage of pupils described in subsection (1) exceeds the district's aggregate percentage of those pupils

(9) As a pilot project for a period of 3 fiscal years a district that is located in a county with a population of more than 350 000 and less than 480 000 and that has more than 10 000 pupils in membership shall expend funds received under this section other than the amount described in subsection (6) attributable to pupils enrolled in grades K 3 for the purpose of reducing class size in grades K 3 in the district to an average of not more than 17 pupils per class with not more than 19 pupils in any particular class in each school building in the district in which pupils described in subsection (1) constitute a specified percentage of the total number of pupils in the building That specified percentage is as follows

(a) For the 1994 95 school year 59%

(b) For the 1995 96 school year 50%

(c) For the 1996 97 school year 25%

(10) As used in this section at risk pupil means a pupil for whom the district has documentation that the pupil meets at least 2 of the following criteria is a victim of child abuse or neglect is below grade level in English language and communication skills is a pregnant teenager or teenage parent is eligible for a federal free or reduced price lunch subsidy has atypical behavior or attendance patterns or has a family history of school failure incarceration or substance abuse For pupils for whom the results of at least the applicable MEAP test have been received at risk pupil also includes a pupil who does not meet the other criteria under this subsection but who has received less than category 2 on the most recent MEAP reading test for which results for the pupil have been received less than 50% of the objectives on the most recent MEAP mathematics test for which results for the pupil have been received or less than 50% of the objectives on the most recent MEAP science test for which results for the pupil have been received

Sec 37 A district is eligible for an allocation under section 36 if in a manner and on forms prescribed by the department all of the following apply

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

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

(c) The district only employs for this program either of the following

(i) Teachers possessing proper training including but not limited to a valid teaching certificate and beginning September 1 1995 an early childhood (ZA) endorsement This provision does not apply to a district that subcontracts with an eligible child development program In that situation a teacher must have a valid teaching certificate and may have a child development associate credential (CDA) instead of an early childhood (ZA) endorsement

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

(d) The district identifies in its application all of the following

(i) The estimated total number of children in the community who meet the criteria of section 36

(ii) The estimated number of children in the community who meet the criteria of section 36 and are being served by other early childhood development programs operating in the community

(iii) The estimated number of children who meet the criteria of section 36 who will remain unserved after the district and community early childhood programs have met their funded enrollments The school district shall maintain a waiting list of identified unserved eligible children who would be served when openings are available

(iv) All collaborative activities between the district and other operators of early childhood development programs

(e) The district has submitted for approval a program budget that includes only those costs not reimbursed or reimbursable by federal funding that are clearly and directly attributable to the early childhood readiness program and that would not be incurred if the program were not being offered If children other than those determined to be educationally disadvantaged participate in the program state reimbursement under section 36 shall be limited to the portion of approved costs attributable to educationally disadvantaged children

(f) The district has established a school readiness advisory committee consisting of at a minimum classroom teachers for prekindergarten kindergarten and first grade parents or guardians of program participants representatives from appropriate community agencies and organizations the district curriculum director or equivalent

administrator and if feasible a school psychologist school social worker or school counselor In addition at least 50% of the committee members shall be parents or guardians of program participants The committee shall do all of the following

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

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

(iii) Review the health screening program for all participants

(iv) Review the nutritional services provided to program participants

(v) Review the mechanisms in place for the referral of families to community social service agencies as appropriate

(vi) Review the collaboration with and the involvement of appropriate community volunteer and social service agencies and organizations in addressing all aspects of educational disadvantage

(vii) Review evaluate and make recommendations for changes to the school readiness program

(g) The district has submitted for departmental approval a plan to conduct and report annual school readiness program evaluations using criteria approved by the department At a minimum the evaluations shall include assessment of the gains in educational readiness and progress through first grade of children participating in the school readiness program

(h) More than 50% of the children participating in the program meet the income eligibility criteria for free lunch as determined under the national school lunch act chapter 281 60 Stat 230 42 U S C 1751 to 1753 1755 to 1761 1762a 1765 to 1766a and 1769 to 1769e

(i) At least 18 of the district's resident children of the age group specified in section 36 as described in section 36 and calculated under section 38 are construed to be in need of special readiness assistance A district is also eligible for an allocation under section 36 if at least 50 children as described in section 36 and calculated under section 38 are construed to be in need of special readiness assistance regardless of the percentage they comprise of the district's resident children of the age group specified in section 36 In addition a consortium of 2 or more districts shall be eligible for an allocation under section 36 if each of those districts has less than 18 of its resident children of the age group specified in section 36 as described in section 36 and calculated under section 38 and in combination the districts number of children who are construed to be in need of special readiness assistance equals or exceeds 18 A district or intermediate district may administer a consortium described in this subdivision

Sec 38 The maximum number of prekindergarten children construed to be in need of special readiness assistance under section 36 shall be calculated for each district in the following manner one half of the percentage of the district's pupils in grades K 8 who are eligible for free lunch as determined by the district's October count in the immediately preceding school year under the national school lunch act chapter 281 60 Stat 230 42 U S C 1751 to 1753 1755 to 1761 1762a 1765 to 1766a and 1769 to 1769e shall be multiplied by the average kindergarten enrollment of the district on the pupil membership count day of the 2 immediately preceding years

Sec 51 (1) From the appropriation in section 11 there is allocated \$185 355 000 00 for 1994 95 to consist of an amount not to exceed \$121 355 000 00 from state sources and \$64 000 000 00 in federal funding under sections 611 to 620 of part B of the individuals with disabilities education act title VI of Public Law 91 230 20 U S C 1411 to 1420 plus any carryover federal funds from previous year appropriations for the purpose of reimbursing districts and intermediate districts for special education programs services and special education personnel as prescribed in article 3 of the school code of 1976 being sections 380 1701 to 380 1766 of the Michigan Compiled Laws net tuition payments made by intermediate districts to the Michigan school for the blind and the Michigan school for the deaf and programs for pupils handicapped by learning disabilities as defined by the department For meeting the costs of special education programs and services not reimbursed under this article a district or intermediate district may use money in general funds or special education funds not otherwise restricted or contributions from districts to intermediate districts tuition payments gifts and contributions from individuals or federal funds that may be available for this purpose as determined by the intermediate district plan prepared pursuant to article 3 of the school code of 1976 being sections 380 1701 to 380 1766 of the Michigan Compiled Laws

(2) State funds shall be allocated on an added cost basis Federal funds shall be allocated under applicable federal requirements except that an amount not to exceed \$4 000 000 00 may be allocated by the department to districts or intermediate districts on a competitive grant basis for programs equipment and services that the department determines to be designed to benefit or improve special education on a statewide scale

(3) From the amount allocated in subsection (1) there is allocated an amount not to exceed \$3 100 000 00 for 1994 95 to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1 1987 As used in this subsection net increase in necessary costs means the necessary additional costs incurred solely because of new or

revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. Net increase in necessary costs shall be determined in a manner specified by the department.

(4) For purposes of this article

(a) For a program operated by a district, added costs shall be computed by deducting from the total approved costs of special education programs and services an amount equal to the residence district's foundation allowance under section 20 or, for a nonresident pupil, the applicable foundation allowance under section 20(9) for each full-time equated special education pupil counted in membership in the district whose primary educational or training program, as determined by the department, is a special education program and service as defined in section 6(7) of the school code of 1976, being section 380.6 of the Michigan Compiled Laws. For a program operated by an intermediate district, added costs shall be computed by deducting from total approved costs of special education programs and services an amount equal to the intermediate district weighted average allocation for each full-time equated special education pupil counted in membership in the intermediate district whose primary educational or training program, as determined by the department, is a special education program and service as defined in section 6(7) of the school code of 1976.

(b) Total approved costs of special education programs and services shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53 programs. Beginning in 1994-95, the total approved costs include salary and other compensation for all approved special education personnel for the program, including, for a program operated by a district, payments for social security and medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6(6) of the school code of 1976. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not included. Special education approved personnel not utilized full-time in the evaluation of students or in the delivery of special education programs, ancillary and other related services shall be reimbursed under this section only for that portion of time actually spent providing these programs and services, with the exception of special education programs and services provided to youth placed in child caring institutions or juvenile detention programs approved by the department to provide an on-grounds education program. For teacher aides, salaries and other compensation paid to a teacher aide are included only if the teacher aide is required in rules promulgated by the department or is otherwise approved by the department.

(c) This article does not relieve any insurer or other third-party provider or payer from an otherwise valid obligation to provide or to pay for services for a pupil with a disability.

(5) From the appropriation in section 11, there is allocated an amount not to exceed \$58,000,000.00 for funding payments under this subsection for pupils counted in membership under this subsection. A pupil who is enrolled in a full-time special education program conducted or administered by an intermediate district or a pupil who is enrolled in the Michigan school for the blind or the Michigan school for the deaf shall not be included in the membership count of a district, but shall be counted in membership in the intermediate district of residence. A district operating a center program for pupils from several districts pursuant to an approved intermediate district plan may elect to have the pupils counted in membership in the intermediate district. For each pupil, the intermediate district shall receive the intermediate district weighted average allocation. A district operating a center program for pupils from several districts pursuant to an approved intermediate district plan that had the pupils counted in membership in the intermediate district in 1993-94 shall have the pupils counted in membership in the intermediate district in 1994-95.

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

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

Sec. 58. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$25,405,000.00 for 1994-95 to fund districts and intermediate districts for providing specialized transportation services, as determined by the department, for pupils in special education programs and services as defined in section 6(7) of the school code of 1976, being section 380.6 of the Michigan Compiled Laws, for which the district or intermediate district receives added cost reimbursement under section 52. Allocations to districts and intermediate districts under this section shall be based on data reported by the districts and intermediate districts for the current school year.

(2) Transportation aid under subsection (1) is based upon an allowance for each vehicle used for transportation and calculated for each district and intermediate district by the department on the basis of all of the following factors:

(a) An overhead allowance of \$200.00 per special education pupil transported.

(b) A regional allowance of between \$9,500.00 and \$15,000.00 per vehicle, depending on the region, based upon the following:

- (i) Transportation staff salary
- (ii) Regional cost variation
- (c) An amortization cost per pupil of 100% of cost with a minimum of \$20 00 per pupil for pupil transportation fleet vehicles
- (d) An insurance cost per pupil of 100% of cost for pupil transportation vehicles
- (e) Authorized miles traveled per pupil of \$0 15 per mile
- (3) The rate of aid for contracted transportation services or transportation services provided through the use of public transit systems is comparable to the rate of aid for district owned bus fleets
- (4) Districts and intermediate districts may apply to the department for exceptions to the district s or intermediate district s formula transportation allowance under this section regarding the costs of transporting pupils when exceptional conditions or circumstances impose unavoidably unusual expenses for transporting pupils to their regularly scheduled classes

Sec 61a (1) From the appropriation in section 11 there is allocated an amount not to exceed \$28 560 000 00 for 1994 95 to reimburse on an added cost basis districts except for a district that served as the fiscal agent for a vocational education consortium in the 1993 94 school year and secondary area vocational technical education centers for secondary level vocational technical education programs including parenthood education programs according to state board rules Applications for participation in the programs shall be submitted in the form prescribed by the department The department shall determine the added cost for each vocational technical program area The allocation of added cost funds shall be based on the type of vocational technical programs provided the number of pupils enrolled and the length of the training period provided and shall not exceed 75% of the added cost of any program With the approval of the department the board of a district maintaining a secondary vocational technical education program may offer the program for the period from the close of the school year until September 1 The program shall use existing facilities and shall be operated as prescribed by rules promulgated by the state board

(2) Except for a district that served as the fiscal agent for a vocational education consortium in the 1993 94 school year districts and intermediate districts shall be reimbursed for local vocational administration shared time vocational administration and career education planning district vocational technical administration The definition of what constitutes administration and reimbursement shall be pursuant to guidelines adopted by the state board Not more than \$800 000 00 of the allocation in subsection (1) shall be distributed under this subsection

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

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

(b) The designated service area has held at least 1 election to establish an area vocational technical education program pursuant to section 681 of the school code of 1976 being section 380 681 of the Michigan Compiled Laws

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

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

Sec 65 Not later than December 1 1994 a district that served as the fiscal agent for a vocational education consortium in the 1993 94 school year shall report to the department in the form and manner prescribed by the department the district s aggregate expenditures for vocational education for each fiscal year for 1993 94 and 1992 93 and the district s estimated expenditures for vocational education for 1994 95 The department shall use this information to determine if the district s 1993 94 vocational education expenditures equal or exceed the district s 1992 93 vocational education expenditures as required by federal statute

Sec 71a From the appropriation in section 11 there is allocated for 1994 95 an amount not to exceed \$160 000 00 for payments to districts that had a membership count on the 1993 94 pupil membership count day of at least 1 900 and less than 2 000 pupils and that had a combined reduction from 1992 93 to 1993 94 in payments under this act for special education and regular education transportation The amount of the payment to a district shall be an amount equal to the amount of that combined reduction

Sec 81 (1) Subject to subsection (2) from the appropriation in section 11 there is allocated for 1993 94 to the intermediate districts the sum necessary but not to exceed \$22 950 000 00 for 1993 94 to provide state aid to intermediate districts under this subsection and subsection (2) Subject to subsection (6) there shall be allocated to each intermediate district an amount obtained by adding 104% of the prior year s aid received under this subsection before

proration and 104% of the product of the prior year's state equalized valuation and the prior year's operating millage and subtracting from that sum the product of the current year's state equalized valuation and the prior year's operating millage. However, an intermediate district shall not receive less than an amount equal to 100% of the amount of aid received under this subsection for the immediately preceding state fiscal year.

(2) From the appropriation in section 11 there is allocated for 1993-94 to an intermediate district formed by the consolidation or annexation of 2 or more intermediate districts or the attachment of a total intermediate district to another intermediate school district or the annexation of all of the constituent K-12 districts of a previously existing intermediate school district which has disorganized an additional allotment of \$3,500.00 each fiscal year for each intermediate district included in the new intermediate district for 3 years following consolidation, annexation, or attachment.

(3) In addition to the allocation under subsection (1) from the appropriation under section 11 there is allocated for 1993-94 an amount not to exceed \$1,212,800.00 for an additional payment to each intermediate district that had a reduction in the immediately preceding fiscal year in its allocation due to reductions in an intermediate district's state equalized valuation resulting from the resolution of property tax assessment appeals in constituent districts that affected the state equalized valuation in a fiscal year before 1992-93. The additional payment under this subsection shall be in an amount equal to the reduction in the intermediate district's allocation and shall be included in the October payment. This subsection applies only for 1993-94.

(4) Subject to subsection (5) from the appropriation in section 11 there is allocated for 1994-95 to the intermediate districts the sum necessary but not to exceed \$22,950,000.00 for 1994-95 to provide state aid to intermediate districts under this subsection and subsection (5). Subject to subsection (6) there shall be allocated to each intermediate district an amount obtained by adding 103% of the prior year's aid received under this subsection before proration and 103% of the product of the prior year's state equalized valuation and the prior year's operating millage and subtracting from that sum the product of the current year's state equalized valuation and the prior year's operating millage. However, an intermediate district shall not receive less than an amount per pupil equal to 100% of the amount of aid per pupil received under this subsection for the immediately preceding state fiscal year.

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

(6) During a fiscal year the department shall not increase an intermediate district's allocation under subsection (1) or (4) because of an adjustment made by the department during the fiscal year in the intermediate district's state equalized valuation for a prior year. Instead, the department shall report the adjustment and the estimated amount of the increase to the house and senate fiscal agencies not later than June 1 of the fiscal year, and the legislature shall appropriate money for the adjustment in the next succeeding fiscal year.

(7) From the appropriation in section 11 there is allocated for 1994-95 an amount not to exceed \$6,762,000.00 for payments by the department to intermediate districts for any combination of the following:

(a) Providing technical assistance to districts for implementation of school quality improvement measures under the school code of 1976, including but not limited to implementation of sections 1204a, 1277, 1278, and 1280 of the school code of 1976, being sections 380, 1204a, 380, 1277, 380, 1278, and 380, 1280 of the Michigan Compiled Laws.

(b) Operating regional education media centers under section 671 of the school code of 1976, being section 380, 671 of the Michigan Compiled Laws.

(c) Providing other technical assistance to districts.

(8) The money allocated to intermediate districts under subsection (7) shall be allocated on the same basis as formerly distributed to intermediate districts under former sections 21a, 22, 23b, 46, 48, 83, 91, and 93 and shall be prorated as necessary. Not later than 60 days after the end of a fiscal year in which an intermediate district receives funds under subsection (7) the intermediate district shall submit to the house and senate K-12 appropriations subcommittees, the house and senate fiscal agencies, the department, and the department of management and budget a report of not more than 15 pages listing and describing the intermediate district's expenditures of funds allocated under subsection (7) and the activities for which the funds were expended.

Sec. 95. (1) From the appropriations in section 11 there is allocated \$8,000,000.00 from the state school aid fund appropriation and \$2,000,000.00 from the general fund appropriation for 1994-95 for professional development for teachers and others within the educational community. The total allocation under this section shall be distributed as follows:

(a) \$6,500,000.00 is allocated from the state school aid fund to districts on a per pupil basis, with each district receiving the same amount per pupil.

(b) \$1 500 000 00 is allocated from the state school aid fund to intermediate districts on a per pupil basis for each pupil in membership in the intermediate district or in a constituent district with each intermediate district receiving the same amount per pupil

(c) \$2 000 000 00 is allocated from the general fund to the department for statewide professional development initiatives

(2) The professional development funds allocated under this section may be used for any of the following

(a) Advancement of the initiatives under sections 1204a 1277 1278 and 1280 of the school code of 1976 being sections 380 1204a 380 1277 380 1278 and 380 1280 of the Michigan Compiled Laws commonly referred to as Public Act 25 of 1990

(b) Improving instructional and support staff skills

(c) Other areas of professional development identified in the school code of 1976

(3) Not later than 60 days after the end of each fiscal year an intermediate district in cooperation with its constituent districts shall prepare and submit to the house and senate K 12 appropriations subcommittees the house and senate fiscal agencies the department and the department of management and budget a report of not more than 15 pages listing and describing the intermediate district s and its constituent districts expenditures of funds allocated under this section and the activities for which the funds were expended

Sec 99 (1) From the general fund/general purpose appropriation in section 11 there is allocated an amount not to exceed \$6 240 000 00 for 1994 95 for implementing the comprehensive master plan for mathematics and science centers developed by the department and approved by the state board on February 17 1993

(2) Within a service area designated locally approved by the department and consistent with the master plan described in subsection (1) an established mathematics and science center described in subsection (6)(a) shall provide all of the following 6 basic services as described in the master plan to constituent districts and communities pupil services curriculum support community involvement measures professional development resource clearinghouse services and leadership

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

(a) A description of how each of the 6 basic service areas will be equitably and effectively delivered to constituent districts and communities which shall include an assurance that access will be made available to all qualified pupils and professional staff of schools formally participating in center programs including those from nonpublic schools in the designated service area

(b) A statement of the working relationships that have been or will be established with the department other mathematics and science centers and leaders of existing programs of professional development and curriculum reform

(c) A statement of the projected impact of the mathematics and science center on mathematics and science outcomes contained in the core curriculum

(d) An explanation of how the mathematics and science center will be involved in and contribute to systemic change in its designated service area

(e) A detailed plan describing how the applicant will evaluate programs activities and operations

(f) A commitment to participate fully in the mathematics and science centers network

(4) The department shall not award a grant under this section to more than 1 mathematics and science center located in a particular intermediate district unless each of the grants serves a distinct target population or provides a service that does not duplicate another program in the intermediate district

(5) As part of the application or technical assistance process the department shall provide minimum standard guidelines that may be used by an applicant or mathematics and science center for providing fair access for qualified pupils and professional staff as prescribed in this section

(6) Allocations under this section to support the activities and programs of mathematics and science centers shall be made as follows

(a) Continuing support grants shall be awarded to all established mathematics and science centers An established mathematics and science center is one that has completed the planning/start up/development stages and received a grant under this section in the immediately preceding fiscal year Each established mathematics and science center shall receive an amount equal to the greater of its adjusted funding level as specified in the master plan or the amount it received under this section for 1993 94

(b) From the balance of the allocation and to promote equal access to mathematics and science centers by all districts and communities in Michigan the department shall award grants to 5 other mathematics and science centers identified in the master plan in the amounts specified in the master plan Grants under this subsection may be prorated as necessary These mathematics and science centers will serve regions that are currently unrepresented in the mathematics and science centers program

(c) From the balance of the allocation the department shall award grants to establish satellites in areas that cannot support a mathematics and science center are a considerable distance from an existing mathematics and science center and have unique local needs The locations of these satellites shall be as specified in the master plan

(7) Each recipient of a grant under this section shall submit an annual report of activities accomplishments and expenditures not to exceed 15 pages by October 30 of the fiscal year to the department the house and senate fiscal agencies and the department of management and budget

Sec 101 (1) To be eligible to receive state aid under this act not later than the fourth Friday after the pupil membership count day and not later than the fourth Friday after the supplemental count day each district superintendent through the secretary of the district's board shall file with the intermediate superintendent a certified and sworn copy of the district's enrollment for the current school year as of the pupil membership count day and as of the supplemental count day as applicable In addition a district maintaining school during the entire year as provided under section 1561 of the school code of 1976 being section 380 1561 of the Michigan Compiled Laws shall file with the intermediate superintendent a certified and sworn copy of the enrollment for the current school year pursuant to rules promulgated by the state board Not later than 20 calendar days after the fifth Friday after the pupil membership count day and not later than 20 calendar days after the fifth Friday after the supplemental count day the intermediate district shall transmit to the department the data filed by each of its constituent districts If a district fails to file the sworn and certified copy as required under this subsection or if an intermediate district fails to transmit the data in its possession as required under this subsection state aid due to be distributed under this act shall be withheld from the defaulting district or intermediate district beginning with the next payment after the failure and continuing with each payment until the district or intermediate district complies with this subsection If a district or intermediate district does not comply with this subsection by the end of the fiscal year the district or intermediate district forfeits the amount withheld A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment shall be punished in the manner prescribed by the laws of this state

(2) Each district shall provide a minimum of 180 days and the required minimum number of hours of pupil instruction The required minimum number of hours of pupil instruction is as follows in 1994 95 each district shall provide a minimum of 900 hours of pupil instruction in 1995 96 and 1996 97 each district shall provide a minimum of 990 hours of pupil instruction in 1997 98 and 1998 99 each district shall provide a minimum of 1 035 hours of pupil instruction and beginning in 1999 2000 each district shall provide a minimum of 1 080 hours of pupil instruction Except as otherwise provided in this section a district failing to hold 180 days of pupil instruction shall forfeit 1/180 of its total state aid appropriation for each day of failure Except as otherwise provided in this section a district failing to comply with the required minimum hours of pupil instruction shall forfeit from its total state aid allocation an amount determined by applying a ratio of the time duration the district was in noncompliance in relation to the required minimum number of hours A district failing to meet both the minimum 180 days of pupil instruction requirement and the minimum number of hours requirement of pupil instruction requirement shall be penalized only the higher of the 2 amounts calculated under the forfeiture provisions of this subsection Not later than August 1 the board of each district shall certify to the department the number of days and hours of pupil instruction in the previous school year If the district did not hold at least 180 days and the required minimum number of hours of pupil instruction the deduction of state aid shall be made in the following fiscal year from the first payment of state school aid A district is not subject to forfeiture of funds under this subsection for a fiscal year in which a forfeiture was already imposed under subsection (7) Days lost because of strikes or teachers' conferences shall not be counted as days of pupil instruction A district not having 75% of the district's membership in attendance on any day shall receive state aid in that proportion of 1/180 that the actual percent of attendance bears to the specified percentage The state board shall promulgate rules for the implementation of this subsection

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

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

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

(6) Upon application by the district for a particular fiscal year the state board may waive the 180 day requirement of subsection (2) for a district if the district has adopted an experimental school year schedule in 1 or more buildings in the district if the experimental school year schedule provides the required minimum number or more hours of pupil instruction and is consistent with all state board policies on school improvement and restructuring. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver for the fiscal year covered by the waiver the district is not subject to forfeiture under this section of part of its state aid allocation for the specific building or program covered by the waiver.

(7) Not later than January 31 of each fiscal year the board of each district shall certify to the department the planned number of days and hours of pupil instruction in the district for the school year ending in the fiscal year. In addition to any other penalty or forfeiture under this section if at any time the department determines that 1 or more of the following has occurred in a district the district shall forfeit in the current fiscal year beginning in the next payment to be calculated by the department a proportion of the funds due to the district under this act that is equal to the proportion below 180 days and the required minimum number of hours as specified in the following:

(a) The district fails to operate its schools for a minimum of 180 days and the required minimum number of hours of pupil instruction in a school year including days counted under subsection (3).

(b) The board of the district takes formal action not to operate its schools for a minimum of 180 days and the required minimum number of hours of pupil instruction in a school year including days counted under subsection (3).

(8) Upon application by the district for a particular fiscal year the state board may waive for a district the 180 day requirement of subsection (2) for a department approved alternative education program operated through an adult education program. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver for the fiscal year covered by the waiver the district is not subject to forfeiture under this section for the specific program covered by the waiver.

Sec 107e (1) From the appropriation in section 11 there is allocated for 1994-95 an amount not to exceed \$185,000,000.00 for adult education categorical payments to districts, consortia or cooperative programs on a per participant basis as provided in this section in an amount subject to subsections (18) and (19) not to exceed \$5,500.00 or the district's foundation allowance under section 20 whichever is less per participant. These payments are for operation of adult basic education programs, adult high school completion programs, alternative education programs operated through adult education other than those described in section 6(4)(h) and general education development test (GED) preparation programs.

(2) Except as otherwise provided in this section the maximum number of full time equated participants for which the district, consortium or cooperative program may receive payments under this section is the number of adult education participants counted as participants in the district, consortium or cooperative program in 1993-94 in an adult basic education program, an adult high school completion program, an alternative education program operated through adult education or a GED preparation program as counted in the final audited 1993-94 participant count after adjustments under former section 107 as adjusted for the change in the basis for determining full time equated participants from 480 to 900 hours. The maximum number of participants in a consortium or cooperative program shall be adjusted to reflect the 1993-94 participants transferred into or out of the consortium or cooperative program.

(3) If the department determines as of May 1 of a fiscal year that the total amount allocated under this section exceeds the amount necessary to fully fund payments for the number of participants counted under subsection (2) the department may allow districts, consortia and cooperative programs to count additional participants on a prorated basis and may make payments under this section to districts, consortia and cooperative programs for those additional participants.

(4) Except for an individual enrolled in the state technical institute and rehabilitation center who is less than 20 years of age on September 1 of the school year or an individual who is enrolled for a maximum of 1 year in an English as a second language program, an individual who has obtained a high school diploma shall not be counted as a participant under this section. Unless the individual is a participant in an adult high school completion program, an individual who has obtained a general education development (GED) certificate shall not be counted as a participant under this section.

(5) A participant in a program funded under this section shall not be counted in membership in a district.

(6) Except as provided in this subsection, payments under this section shall be made as provided in section 17b. A district, consortium or cooperative program that counts adult education participants under this section and complies with the requirements of this section shall receive regularly scheduled state aid payments for which the district, consortium or cooperative program qualifies under this section in accordance with the following up to maximum of 100%:

(a) Ninety percent for enrollment of eligible participants.

(b) Ten percent for classroom attendance.

(c) Ten percent for attainment of a high school diploma for passage of the G E D test for completion of the adult basic education objectives by achieving an eighth grade level in reading English or mathematics or for completion of the class and demonstrated proficiency in the academic or vocational skills to be learned in the class

(7) A district consortium or cooperative program that counts adult education participants under this section shall allow access for the department or the department's designee to audit all records related to the adult education program for all entities that receive money either directly or indirectly through a contract from the participants counted under this section. The recipient or contractor, if any, shall reimburse the state for all disallowances found in the audit.

(8) A district consortium or cooperative program receiving funds from the job training partnership act, Public Law 97-300, 96 Stat. 1322, or a district operating a training program approved by the department may amend the number of participants counted under this section to include individuals participating in the job training partnership act program or a training program approved by the department. The participant count day for these participants shall be the third Friday after the first Monday after the start of instruction for the program. Payments received under this section for these participants shall be reduced 1/900 for each hour of classroom instruction the participants are scheduled to receive under 900 hours and further reduced to ensure that the combined aid under this section and job training partnership act or other approved training program aid for the programs do not exceed the cost of the programs as verified by the intermediate school district of the district operating the programs.

(9) An individual 26 years of age or older residing in a mental health institution or a nursing home and receiving educational services on site shall not be counted as an adult education participant under this section.

(10) The participant count days for counting participants in adult education programs under this section are the first Friday in October and the second Friday in February.

(11) The prorated allocation for an adult education participant under this section shall be computed by applying a ratio that is the relation between the number of hours of student instruction received and 900 clock hours of classroom instruction. Time required to pass to and from classes and up to 5 hours of tutorial assistance provided to a participant to make up for an equal number of hours of excused absence by the participant as documented and reported by the district shall be counted as classroom instruction, but meal time, study halls, or recess time shall not be counted as classroom instruction. A district that receives funding under this section shall submit to the department not later than November 1 a resolution adopted by its board indicating that the district complies with all of the following requirements:

(a) The district uses as guidelines the adult education standards of quality approved by the state board.

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

(c) The district has implemented an adult education evaluation plan.

(12) For purposes of determining the number of participants under this section, a district consortium or cooperative program may count toward classroom instruction not more than the number of credits required by the district for a high school diploma, including those specified in subdivisions (a) through (e) in the following courses and number of credit hours:

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

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

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

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

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

(13) For purposes of subsection (12), a credit hour shall not exceed 120 clock hours of classroom instruction, and credit hours earned by a participant during previous school years shall be counted. Participants enrolled and making progress in adult basic education may be prorated.

(14) In order to be eligible to count adult education participants under this section, a district shall allow those participants who have more than the credits specified in subsection (12) to attend those classes needed in order to complete graduation requirements. The district shall not assess a fee or receive funding under this section for these credits.

(15) A district operating an adult education program under this section shall do all of the following:

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

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

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

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

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

(f) Submit to the department not later than October 30 each year a report describing the district's activities in the fiscal year ending the immediately preceding September 30 that pertain to requirements set forth in subdivisions (a) through (e)

(g) Expend at least 5% of the funds received under this section for academic, vocational, and job counseling for adult education participants

(h) Use the funds received under this section to support actual reasonable costs of the adult education programs except that the district may use revenue in addition to that needed to meet the costs of the adult education program to provide supplemental services within the district in the areas of early childhood education, alternative education, dropout prevention, teen parent programs for youth, or other department approved education programs other than community education

(16) Two or more K to 12 districts may conduct adult education programs on a cooperative basis. Cooperating districts shall enter into an annual written agreement which shall cover all of the high school completion programs and adult basic education programs offered within the participating districts. Exceptions to this provision may be made with the approval of the department. An agreement shall include the educational, administrative, management, operational, and financial matters concerning adult education programs and services offered by all the participating districts. One district shall be designated in the agreement as the administrator of the adult education cooperative program and shall operate the program as a direct extension of the district. The district serving as the administrator of the adult education program shall reimburse only direct expenses and the reasonable rental value of facilities provided directly to the program by a cooperative district. These fees shall reflect only actual costs to the cooperating district. If the cooperating district did not receive an allocation under former section 21(1) in 1993-94, the fees shall not exceed 12.5% of the amount of the payment the administering district receives that is attributable to the participation of the cooperating district. No other payments may be made to a cooperating district by the district serving as the administrator of the adult education program. The fee schedule to be paid by the administrative district of the adult education program shall be included as part of the annual written agreement between cooperating districts. The administrative district shall maintain for 5 years records of fees paid under the agreement. The funds generated by the administering district shall be used to support actual reasonable costs of the adult education programs in the cooperative program with the exception that administering districts may use revenues in addition to that needed to meet the costs of the adult education program to provide supplemental services within the consortium in the areas of early childhood education, alternative education, dropout prevention, teen parent programs for youth, or other department approved education programs other than community education. In order to receive funds under this section for the program, not later than November 30 of the fiscal year, the board of each of the cooperating districts shall adopt and submit to the department a resolution indicating compliance with this subsection.

(17) Except for a district described in subsection (19)(c), a district that did not receive an allocation under former section 21(1) in 1993-94, with the approval of the department, may enter into a cooperative arrangement with a district that receives payment under this section for the purpose of obtaining educational services for adult education participants. These cooperative arrangements shall meet the same conditions as those listed in subsection (16). In these cooperative arrangements, the district that did not receive an allocation under former section 21(1) in 1993-94 may receive from the district that provides the educational services an amount for administrative costs not to exceed 12.5% of the amount of the payment under this section the providing district receives that is attributable to the cooperative arrangement. In order to receive funds under this section for the program, the board of each of the cooperating districts shall adopt and submit to the department a resolution indicating compliance with this subsection.

(18) If a district participates in 1994-95 in a consortium or cooperative program that operates an adult education program under this section and the district either participated in 1993-94 in a different adult education consortium or cooperative program or operated an adult education program itself in 1993-94, the number of adult education participants from that district shall be counted only in the consortium or cooperative program in which the district participates in 1994-95.

(19) The amount paid under this section per participant for adult education participants from a district that either participates in 1994 95 in a consortium or cooperative program that operates an adult education program or participated in 1993 94 in such a consortium or cooperative program shall be calculated as follows

(a) If a district participates in 1994 95 in a consortium or cooperative program that operates an adult education program under this section and the district participated in 1993 94 in a different adult education consortium or cooperative program the amount paid under this section per participant for adult education participants from that district shall be the lesser of the 1994 95 administering district's foundation allowance the 1993 94 administering district's foundation allowance or \$5 500 00

(b) If a district participates in 1994 95 in a consortium or cooperative program that operates an adult education program under this section and the district operated an adult education program itself in 1993 94 the amount paid under this section per participant for adult education participants from that district shall be the lesser of that district's foundation allowance the administering district's foundation allowance or \$5 500 00

(c) If a district participated in 1993 94 in an adult education consortium or cooperative program and if there is written approval by the boards of all of the consortium or cooperative program members for the district to withdraw from the consortium or cooperative program the district may operate an adult education program under this section in 1994 95 and the amount paid under this section per participant for adult education participants from that district shall be the lesser of that district's foundation allowance the foundation allowance of the district that administered the consortium or cooperative program in 1993 94 or \$5 500 00

(20) The department shall prorate payments under this section as necessary

(21) As used in this section participant means the average number of full time equated individuals age 16 or older enrolled in and attending a department approved adult basic education program adult high school completion program or G E D preparation program determined by the department by adding the number of those individuals counted as of the October participant count day and the number of those individuals counted as of the February participant count day and dividing that sum by 2 and as corrected by subsequent department audit In addition if a person age 16 to 20 enrolled in and attending an alternative education program operated through an adult education program is not counted as a pupil under section 6(4)(h) the individual may be counted as a participant under this section

Sec 109 (1) Subject to subsection (2) in order to receive funds under this act each district or intermediate district shall provide appropriate instructional services as determined by the district or intermediate district to an enrolled pupil who is certified by the pupil's attending physician as having a medical condition that requires the pupil to be hospitalized or confined to his or her home during regular school hours and that is expected to require the hospitalization or confinement for a period longer than 5 school days The district or intermediate district may provide the services itself or may contract with an intermediate district a hospital a treatment center or another district to provide the services In choosing a provider for the instructional services the district or intermediate district shall consider which of those potential providers is best able to deliver the appropriate instructional services The district or intermediate district shall pay reasonable costs as agreed upon between the district or intermediate district and the provider for services provided to a pupil under this section

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

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

Sec 111 (1) Except as provided in section 113 a district having tuition pupils enrolled on the pupil membership count day of each year shall charge the district in which the tuition pupils reside the tuition rate computed under section 1401 of the school code of 1976 being section 380 1401 of the Michigan Compiled Laws The resulting tuition rates shall be reduced by the district's foundation allowance provided under section 20 except that a district shall charge the full per capita operating cost determined under section 1401 of the school code of 1976 for tuition pupils other than special education pupils served in center programs if the district enrolls pupils other than special education pupils who reside in a district that is legally liable for the payment of the tuition and that has a lower foundation allowance than the district enrolling the pupils

(2) A pupil for whom the full per capita operating cost as determined under section 1401 of the school code of 1976 is charged as tuition under subsection (1) shall not be counted in membership in the receiving district for purposes of calculating that district's foundation allowance under section 20 A pupil for whom the full per capita operating cost as determined under section 1401 of the school code of 1976 is paid by the pupil's district of residence under subsection (1)

shall be counted in membership in the pupils district of residence solely for purposes of calculating that district's foundation allowance under section 20

(3) An additional allowance for nonpublic nonresident pupils in part time membership shall be made to the district receiving nonpublic nonresident pupils in an amount equal to the difference between the per capita cost as determined under section 1401 of the school code of 1976 and the district's foundation allowance calculated under section 20

(4) The secretary of the board of each district enrolling nonresident pupils shall certify to the department on forms furnished by the department the number of nonresident pupils enrolled in each grade on the pupil membership count day of each year the districts in which the nonresident pupils reside the amount of tuition charged for the current year and other information required by the department

Sec 146a (1) From the appropriation in section 11 there is allocated for 1994 95 an amount not to exceed \$20 161 000 00 to intermediate districts for intermediate district social security and medicare The payment for 1994 95 to each intermediate district under this subsection shall be in an amount that represents the same proportion of the total allocation under this subsection as the proportion that was paid to the intermediate district in 1993 94 of the total allocation to intermediate districts under former section 146

(2) From the appropriation in section 11 there is allocated for 1994 95 an amount not to exceed \$5 618 000 00 to intermediate districts for intermediate district social security and medicare costs attributable to special education center programs as defined in section 6 operated by a local district for the intermediate district under article 5 The 1994 95 payment to an intermediate district under this subsection shall be in an amount based on the allocation under former section 146 times the proportion of the total salaries and wages paid by the operating districts in 1993 94 that is attributable to the salaries and wages paid in 1993 94 to employees providing services for these district operated center programs

(3) Except as otherwise provided in this act the state shall not assist in payment of the employer's share of federal social security and medicare obligations for the federally funded employees of an intermediate district for individuals employed pursuant to the Michigan youth corps act Act No 69 of the Public Acts of 1983 being sections 409 221 to 409 229 of the Michigan Compiled Laws or for individuals employed pursuant to the Michigan opportunity and skills training program or project self reliance both administered by the department of social services or any successor of either of those 2 programs

(4) Payments to intermediate districts for social security and medicare obligations shall be disbursed on the payment schedule set by section 17b

(5) Each intermediate district shall remit directly to the appropriate federal government agency the total employer share and the total employee share of the intermediate district's social security and medicare obligation Social security or medicare contributions shall not be remitted to the social security contribution fund as otherwise required by section 42(6) of Act No 300 of the Public Acts of 1980 being section 38 1342 of the Michigan Compiled Laws

(6) The department may prorate payments under this section as necessary

Sec 147 (1) From the appropriation in section 11 there is allocated for 1994 95 \$27 673 700 00 from federal retirement contribution pass through funds and there is allocated in addition to the funds credited under subsection (4) an amount not to exceed \$29 500 000 00 for 1994 95 from the state school aid fund for funding the intermediate district retirement cost for the public school employees retirement system pursuant to the public school employees retirement act of 1979 Act No 300 of the Public Acts of 1980 being sections 38 1301 to 38 1408 of the Michigan Compiled Laws

(2) The allocations for 1994 95 for the public school employees retirement system pursuant to Act No 300 of the Public Acts of 1980 shall be made using the entry age normal cost actuarial method and risk assumptions adopted by the public school employees retirement board and the department of management and budget The annual level percentage of payroll contribution rate assumed for the 1994 95 state fiscal year is 14 21% The portion of the contribution rate assigned to local districts for the 1994 95 state fiscal year is all of the total 14 21 percentage points The portion of the contribution rate assigned to intermediate districts for the 1994 95 state fiscal year is 5 0 percentage points of the total 14 21 percentage points

(3) Adjustments are made to reflect the difference between the estimated and actual 1988 89 contribution requirements the estimated and actual 1989 90 contribution requirements the estimated and actual 1990 91 contribution requirements the estimated and actual 1991 92 contribution requirements and the estimated and actual 1992 93 contribution requirements for the public school employees retirement system as required in section 41 of the public school employees retirement act of 1979 Act No 300 of the Public Acts of 1980 being section 38 1341 of the Michigan Compiled Laws The net amount of these adjustments shall be applied proportionately to the reserve for employer contributions created by section 30 of Act No 300 of the Public Acts of 1980 being section 38 1330 of the Michigan Compiled Laws and the reserve for health benefits created by section 34 of Act No 300 of the Public Acts of 1980 being section 38 1334 of the Michigan Compiled Laws

(4) The health benefits reserve is the account to which appropriations of the state for public school employees retirement system health benefits and reporting unit payments are credited in addition to payments from retirees and interest earnings. Benefits payable pursuant to section 91 of Act No. 300 of the Public Acts of 1980 being section 381391 of the Michigan Compiled Laws shall be paid from the health benefits reserve. However for the 1994-95 fiscal year any payments for health benefits made on behalf of a district or intermediate district that are supported by payments from the balance in the health benefits reserve not to exceed an aggregate of \$139,500,000.00 shall be credited toward the required payment of each district or intermediate district and shall reduce the amount otherwise due from that district or intermediate district. A payment from the balance in the health benefits reserve made on behalf of a district or intermediate district shall be considered to be payments on behalf of the district or intermediate district for the purposes of calculating payments made under section 20. The credit provided under this subsection for a particular district or intermediate district shall be determined based on the district's or intermediate district's percentage of the total statewide nonfederal payroll for all districts or all intermediate districts respectively for the calendar year ending September 30, 1993.

(5) From the appropriation in section 11 there is allocated for 1994-95 an amount not to exceed \$10,634,000.00 to intermediate districts for funding the intermediate district retirement cost for local district employees providing services in a special education center program as defined in section 6 operated by a local district for the intermediate district under article 5 for the public school employees retirement system pursuant to Act No. 300 of the Public Acts of 1980.

Sec 148 From the general fund/general purpose money appropriated in section 11 there is allocated an amount not to exceed \$450,000.00 for 1994-95 for a grant to the Detroit compact for a comprehensive school business government and community partnership designed to improve the economic success of Detroit public school graduates.

Sec 149 (1) From the general fund/general purpose appropriation in section 11 there is allocated \$5,000,000.00 for 1994-95 for the final year of a grant to Michigan state university for the Michigan partnership for new education. The payments shall be made in 2 equal installments on October 20 and December 20. During each state fiscal year the Michigan partnership and its partner institutions shall raise or contribute matching funds totaling at least 1/2 of the amount allocated in this section for the partnership. The Michigan partnership for new education shall use resources of the state and federal government corporations foundations districts intermediate districts community colleges and state universities to assist in the development and operation of a coordinated statewide educational innovation system including but not limited to all of the following:

(a) Professional development schools in which K-12 intermediate district community college and university educators collaborate.

(b) Alliances between professional development schools and community organizations business and industrial firms health and human service organizations and local government.

(c) New and strengthened collaborative programs to develop educational and community leadership.

(d) Dissemination of new knowledge skills and strategies to local schools universities and communities in cooperation with the state board intermediate districts community colleges and professional education organizations and associations. Dissemination activities shall use telecommunications infrastructure as available and appropriate.

(e) New research based strategies instruments and standards of accountability to assess student and educator learning school and university performance and community contributions to student learning and development.

(f) Coalition building at the state and local levels among key partners in government business and education.

(g) Educational improvement policy studies.

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

(a) Released time for teachers and administrators to collaborate on educational innovation with university faculty and community partners.

(b) Compensation for university faculty teachers and administrators to collaborate on educational innovation activities such as course planning materials development professional development research and dissemination.

(c) Compensation for staff necessary to facilitate the participation of teachers administrators university faculty and community partners.

(d) Research reports books and other materials related to curriculum instruction organization and management of schools.

(e) Evaluation of the work of the partnership including professional development schools community partnerships university professional education preparation product development and dissemination networks.

(f) Meeting and travel expenses.

(3) Not later than March 1 1995 the Michigan partnership for new education shall submit to the senate and house appropriations subcommittees responsible for the department's budget the senate and house fiscal agencies the governor and the state board a report on its activities and accomplishments for the 1993 94 fiscal year including evaluation results and matching funds raised or contributed Not later than October 1 1994 the Michigan partnership for new education shall submit to each of those entities a detailed work plan for the 1994 95 fiscal year Not later than November 30 of the 1994 95 and 1995 96 fiscal years the Michigan partnership shall submit to each of those entities a report on expenditures for the immediately preceding fiscal year

Sec 151 (1) Annually the treasurer of each county shall furnish to the department before August 1 following the receipt of assessment rolls a statement of the state equalized valuation of each district and fraction of a district within the county and shall furnish to the department on October 1 or the next business day of each year a statement of the state equalized valuation of each class of property of each district and fraction of a district within the county on forms furnished by the department

(2) The tax tribunal created by the tax tribunal act Act No 186 of the Public Acts of 1973 being sections 205 701 to 205 779 of the Michigan Compiled Laws shall accumulate any changes in state equalized valuation of each district and intermediate district and report the cumulative change in state equalized valuation before the fourth Friday of each month to the department the department of treasury the department of management and budget and the house and senate fiscal agencies

Sec 158a In addition to submitting the information requested by the department for the preparation of the district pupil retention report as required under section 158 each district shall furnish to the department in the form and manner prescribed by the department a report of the percentage and number of pupils who have been suspended from school for more than a total of 10 days in a semester or have been expelled from school during a school year the length of the suspensions and expulsions the reasons for the suspensions and expulsions and whether in school suspension or an alternative education program was made available to the pupil The report shall be submitted not later than 90 days after the end of the school year The report shall contain separate information for suspensions and for expulsions and the information shall be disaggregated by grade level Not later than 90 days after the beginning of each fiscal year the department shall report to the house and senate fiscal agencies the number of in school suspension and alternative education programs available to pupils

Sec 158b Each district that receives federal impact aid under section 3(c)(1) of title I of chapter 1124 64 Stat 1100 20 U S C 238 annually shall report to the department in the form and manner prescribed by the department the amount of that aid the district received

Sec 158c The governor's workforce commission or other agency that awards grants or contracts under section 107a or 107b shall provide to the department of management and budget and the house and senate fiscal agencies within 10 days after the end of each quarter of the state fiscal year a report specifying all of the following

- (a) The amount and recipient of each grant or contract awarded during that quarter
- (b) The number of participants under each grant or contract described in subdivision (a) and for grants under section 107a the number of new hires who are in training under the grant
- (c) The names of all business organizations for whom training is or will be provided under each grant or contract described in subdivision (a)
- (d) For a grant under section 107a the matching funds if any to be provided by a business organization

Sec 163a (1) A district shall allow a homeless child who is residing in the district to enroll in the district in accordance with state law and with subtitle B of title VII of the Stewart B McKinney homeless assistance act Public Law 100 77 42 U S C 11431 to 11435

(2) As used in this section homeless child means a school age child who is homeless as defined in section 103 of title I of Public Law 100 77 42 U S C 11302 or who is the child of a homeless individual as defined in 42 U S C 11302

Sec 164a A district or intermediate district shall not allow a school administrator to receive a monetary payment in lieu of unused vacation or personal leave for the purpose of increasing the school administrator's retirement benefits If a district or intermediate district violates this section in a fiscal year the district or intermediate district forfeits from its funds due under this act for that fiscal year an amount equal to the salary of the district's or intermediate district's superintendent for that fiscal year

Sec 167a Notwithstanding section 167 if funds are withheld from a district in 1993 94 because of the district's noncompliance with section 167 in 1993 94 the district does not forfeit those funds Rather the department shall place those funds in an escrow account for the district and shall release those funds to the district after the district complies

with section 167 Funds held in escrow under this section shall not lapse at the end of a fiscal year but shall be carried forward to the next fiscal year for expenditure as provided in this section

Section 2 In accordance with the provisions of section 30 of article IX of the state constitution of 1963 total state spending in this amendatory act is \$7 883 393 000 00 for 1994 95 and state appropriations to be paid to local units of government are \$7 696 309 000 00 for 1994 95

Section 3 The following acts and parts of acts are repealed

(a) Enacting section 2 of Act No 336 of the Public Acts of 1993

(b) Section 6a of Act No 94 of the Public Acts of 1979 as added by Act No 254 of the Public Acts of 1992 being section 388 1606a of the Michigan Compiled Laws

(c) Section 20b of Act No 94 of the Public Acts of 1979 as added by Act No 336 of the Public Acts of 1993 being section 388 1620b of the Michigan Compiled Laws

Section 4 (1) Except as provided in subsection (2) this amendatory act shall take effect October 1 1994

(2) Sections 11a 20 20a 21b 21c 31a 149 and 151 of Act No 94 of the Public Acts of 1979 as amended by this amendatory act and sections 17c 21e and 167a of Act No 94 of the Public Acts of 1979 as added by this amendatory act shall take effect upon enactment of this amendatory act

This act is ordered to take immediate effect

Co Clerk of the House of Representatives

Secretary of the Senate

Approved

Governor