

Act No. 360
Public Acts of 1994
Approved by the Governor
December 22, 1994
Filed with the Secretary of State
December 22, 1994

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1994**

Introduced by Senator Gougeon

ENROLLED SENATE BILL No. 887

AN ACT to amend sections 3 6 20 31a 99 107e and 111 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 as amended by Act No 283 of the Public Acts of 1994 being sections 388 1603 388 1606 388 1620 388 1631a 388 1699 388 1707e and 388 1711 of the Michigan Compiled Laws and to add sections 20d 23 23d 23e and 37a

The People of the State of Michigan enact

Section 1 Sections 3 6 20 31a 99 107e and 111 of Act No 94 of the Public Acts of 1979 as amended by Act No 283 of the Public Acts of 1994 being sections 388 1603 388 1606 388 1620 388 1631a 388 1699 388 1707e and 388 1711 of the Michigan Compiled Laws are amended and sections 20d 23 23d 23e and 37a 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) Cooperative education program means a voluntary agreement between and among districts to provide certain educational programs for pupils in certain groups of districts

(5) Department means the department of education

(6) 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 23d 31a 163(1)(c) and 163(1)(d) an alternative public school operated under section 23d or a public school academy For 1994 95 only district also includes an instructional program operated by a public university under section 23 that complies with the requirements of section 23

(7) District superintendent means the superintendent of a district the chief administrator of a public school academy or the chief administrator of an instructional program operated under section 23

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 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 (G E D) 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 1996-97, 1,035 for 1997-98 and 1998-99, and 1,080 for 1999-2000 and succeeding fiscal years. In determining full time equated memberships for pupils who are dually enrolled in a postsecondary institution under section 21b, a pupil shall not be considered to be less than a full time equated pupil solely because of the effect of his or her dual enrollment on the number of class hours provided by the district to the pupil. 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 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) A pupil enrolled in a vocational education program supported by a millage levied over an area larger than a single district or in an area vocational technical education program established pursuant to section 690 of the school code of 1976, being section 380-690 of the Michigan Compiled Laws, shall be counted only in the pupil's district of residence.

(i) 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 and who were not counted in membership in a district on the 1994 supplemental count day, 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.

(j) For 1994-95 only, the membership of an instructional program operated by a public university under section 23 that is funded under this act as a district shall be considered to be the average number of full time equated pupils in grades K to 12 actually enrolled and in regular daily attendance in the instructional program on the pupil membership count day for the 1993-94 school year, adjusted by subtracting 16 membership pupils, and on the supplemental count day in the 1993-94 school year, as determined by the department and calculated by adding the final audited counts for those 2 count days, with the count for the 1993-94 pupil membership count day adjusted as provided in this subdivision and dividing that sum by 2.

(k) For 1994-95 only, if there are individuals enrolled in an intermediate district in a special education program that is not a center program and those individuals were deducted from the intermediate district's count for the 1994 supplemental count day because of residency in a district that did not receive an allocation under section 21(1) in 1993-94, the number of those individuals counted in the intermediate district's membership is the number of those individuals counted as pupils on the 1994 pupil membership count day only.

(5) Public school academy means a public school academy operating under part 6a or 6b 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, for pupils enrolled in a school operated under section 23 or 23d, 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. Tuition pupil does not include a pupil who is a special education pupil, a pupil served by a cooperative education program, a pupil served by a vocational education program supported by a millage levied over an area larger than a single school district or by an area vocational technical education program established pursuant to section 690 of the school code of 1976, or a pupil served by an intermediate district schools of choice pilot program as described in former section 91. 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. 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) Except as otherwise provided in this section, 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 except as otherwise provided in this section 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) Except as otherwise provided in this subsection 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. For a pupil receiving his or her instruction in a cooperative education program operating during the school year ending in the current state fiscal year pursuant to an agreement entered into before October 7, 1994, the allocation under this section shall be based on the foundation allowance of the educating district.

(10) Subject to subsection (11) for pupils in membership in a public school academy or in membership in an instructional program operated by a public university under section 23 that is funded under this act as a district, 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 or to the board of the public university operating the instructional program an amount per membership pupil in the public school academy or instructional program equal to the sum of the local school operating revenue per membership pupil for the district in which the public school academy or instructional program 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) 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.

(15) The legislature shall continue to work toward greater equity among districts' foundation allowances.

(16) 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 (21) to 1993 94 shall be considered to read 1992 93 and all references in subsection (21) to an August payment for a particular year shall be considered to be 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

(17) 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 beginning after the effective date of the consolidation or annexation 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

(18) For a consortium that meets the requirements of this subsection the foundation allowance under this section shall be the average of the foundation allowances of each of the member districts calculated as provided in this section weighted as to the percentage of pupils in total membership in the consortium who reside in the geographic area of each of the member districts. If a member 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. However the total statewide amount of additional funding resulting from this subsection shall be used only for direct instructional purposes and shall not exceed \$500 000 00 for 1994 95 and the foundation allowances of consortia subject to this subsection shall be adjusted as necessary to remain within that maximum amount. To be subject to this subsection a consortium must meet all of the following requirements

(a) Consist of all constituent districts of a single intermediate district that has a combined total of less than 5 000 pupils in all of its constituent districts

(b) Have been created pursuant to law

(c) Provide at least all of the following services to its member districts

(i) Management and budget services

(ii) Staff recruitment allied management consultant and supervisory services

(iii) Integrated curriculum planning and course offerings

(iv) Management and maintenance of physical plant and transportation

(v) Pupil instruction at sites anywhere within the consortium area

(d) Submit to the department not later than April 30 1995 a written agreement that has been adopted by the board of each constituent district and that provides that the consortium shall remain in existence for at least 5 years

(e) Submit to the department not later than April 30 1995 resolutions that have been adopted by the boards of each of the constituent districts and that agree that pupils from the particular district will not be counted in the funding for the consortium for a state fiscal year after 1996 97 unless at least 1 of the following occurs not later than June 30 1997

(i) The district achieves summary accreditation under section 1280 of the school code of 1976 being section 380 1280 of the Michigan Compiled Laws for each school building in the district

(ii) The board of the district submits to the school electors the question of consolidating with all of the other districts in the consortium and the school electors approve the consolidation

(19) Beginning in 1994 95 for each state fiscal year in which a district is required to make a repayment pursuant to an order of the state tax tribunal issued on May 11 1992 or July 1 1991 the district's foundation allowance shall be adjusted by an amount per pupil necessary to offset the amount of the required repayment for that state fiscal year

(20) 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

(21) 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 and that received payments under former section 27 in 1993 94 an amount equal to compensatory education payments under former section 31 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 and that did not receive any payments under former section 27 in 1993 94 an amount equal to 40% 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

(ii) Local school operating revenue for 1993 94

(iii) 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

(i) 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

(ii) 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 20d In making the final determination required under section 20a of a district s combined state and local revenue per membership pupil in 1993 94 and under section 20 of a district s 1994 95 millage rate the department and the department of treasury shall comply with all of the following

(a) The department and the department of treasury shall not consider and shall not make any adjustment under section 121 to the valuation of a district because of any state tax tribunal decision or order or court decision or order issued after the June 20 1994 certification date under section 20a unless the court decision or order modifies a state tax tribunal decision or order issued before June 20 1994 that was included in making the determination of the district s combined state and local revenue per membership pupil in 1994 under section 20a

(b) The department and the department of treasury shall not consider and shall not make any other adjustment because of any information submitted or audits completed after April 30 1995

Sec 23 (1) For 1994 95 only an instructional program operated under this section by a public university for pupils in grades K 6 6 8 or 9 12 or a combination of those grades may be funded under this act as a district if all of the following requirements are met

(a) The public university submitted an application to the department in a prior fiscal year under former section 23c in the form and manner prescribed by the department The application shall have included at least all of the following

(i) Identification of the proposed grade levels for which the university planned to operate an instructional program

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

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

(iv) A description of the proposed curriculum features that would be given highest priority in the instructional program

(b) The instructional program was planned in the 1992 93 school year and implemented in the 1993 94 school year under former section 23c

(c) The instructional program complies 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

(2) An instructional program operated under this section is eligible in the same manner as a district for all applicable categorical and federal aid

(3) An employee of a public university employed in an instructional program operated under this section is not an employee of a school district for purposes of Act No 4 of the Public Acts of the Extra Session of 1937 being sections 38 71 to 38 191 of the Michigan Compiled Laws

(4) An employee of a public university employed in an instructional program operated under this section is not eligible to be a member of the public school employees retirement system established by 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 unless other employees of the university are eligible for membership in that retirement system

Sec 23d (1) The board of an intermediate district listed in subsection (2) with the approval of the superintendent of public instruction may establish and operate for 1994 95 only 1 or more alternative public schools as provided and limited in subsection (2) and receive funding for 1994 95 only under this section for the establishment and operation of an alternative public school

(2) Subject to the limitations in this subsection the following intermediate districts with the approval and under the supervision of the superintendent of public instruction may establish and operate alternative public schools located within the intermediate district

(a) The Kent intermediate school district may establish and operate not more than 4 alternative public schools with a combined total membership calculated as provided in this section of not more than 455 pupils

(b) The Wayne county regional education service agency may establish and operate not more than 2 alternative public schools with a combined total membership calculated as provided in this section of not more than 130 pupils

(c) The Macomb intermediate school district may establish and operate 1 alternative public school with a membership calculated as provided in this section of not more than 50 pupils

(d) The Midland county intermediate school district may establish and operate 1 alternative public school with a membership calculated as provided in this section of not more than 85 pupils

(e) The Saginaw intermediate school district may establish and operate 1 alternative public school with a membership calculated as provided in this section of not more than 40 pupils

(3) If an intermediate district establishes and operates an alternative public school under this section the intermediate board shall do all of the following

(a) Assign hire or contract with teachers and other necessary staff

(b) Lease or otherwise provide suitable facilities and equipment

(c) Establish or select curricula

(d) Perform other acts it considers necessary to provide appropriate educational programs for pupils in the alternative public school

(4) From the total amount allocated in section 20 for pupils in membership in an alternative public school there is allocated for 1994 95 only to the intermediate district establishing and operating the alternative public school under this section an amount per membership pupil in the alternative public school equal to the product of the intermediate district weighted average foundation allowance for the intermediate district in which the alternative public school is located or \$5 500 00 whichever is less times the ratio of the number of days of pupil instruction provided by the alternative public school after its establishment under this section as determined by the department divided by 180 In addition an alternative public school may receive federal funds and may receive categorical aid under any other section of this act and shall be considered to be a district for the purposes of determining its eligibility for federal funds or categorical aid except that the maximum amount an alternative public school may receive under another section of this act is the product of the amount it could receive under that section if it were a district times the ratio of the number of days of pupil instruction provided by the alternative public school after its establishment under this section as determined by the department divided by 180

(5) Notwithstanding section 6(4) the membership of an alternative public school shall be considered to be the number of full time equated pupils in grades K to 12 actually enrolled and in regular daily attendance in the alternative public school on the supplemental count day in the 1994 95 school year as determined by the department

(6) Notwithstanding section 17b payments under this act to an intermediate district operating an alternative public school under this section shall be made according to the following payment schedule

(a) A start up grant shall be paid to each intermediate district operating an alternative public school in an amount equal to 50% of the estimated total amount due under this act to the intermediate district for establishing and operating

the alternative public school Not later than January 20 1995 the department shall prepare a statement of the amount to be distributed under this subdivision to each intermediate district and deliver the statement to the state treasurer and the state treasurer shall pay that amount on that date or the next business day following that date

(b) Installments shall be paid in February March April May and June of 1995 to each intermediate district operating an alternative public school in an amount equal to 10% of the total amount due under this act to the intermediate district for establishing and operating the alternative public school Not later than 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 subdivision in the installment to each intermediate district 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

(7) Until the pupil count from the supplemental count day is available the department may make estimated payments under this section based on an estimated pupil census of pupils enrolled and in regular daily attendance in an alternative public school submitted by the intermediate district After that pupil count is available as well as after subsequent department audits adjustments shall be made as necessary Until the department determines the number of days of pupil instruction provided by the alternative public school after its establishment under this section the department may make estimated payments under this section based on the scheduled number of days of pupil instruction after establishment of the alternative public school under this section as submitted by the intermediate district After the actual number of those days of pupil instruction is determined adjustments shall be made as necessary

(8) Notwithstanding section 18(1) an intermediate board may apply funds received under this act for leasing or otherwise providing facilities for an alternative public school

(9) The state treasurer shall make payments under this section in the same manner as specified in section 17b(2)

(10) An alternative public school 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

(11) An alternative public school established and operated under this section is not subject to penalty or forfeiture under section 101(2) or (7) for having less than 180 days of pupil instruction or to the deadline for reporting enrollment under section 101(1)

(12) As used in this section intermediate district weighted average foundation allowance means the average foundation allowance as calculated under section 20 of all of the constituent districts of an intermediate district weighted as to membership

(13) This section is repealed effective June 30 1995

Sec 23e For 1994 95 a public school academy shall not receive funding under this act for any pupil instruction occurring after June 30 1995

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 For 1994 95 only the amount of the additional allowance to eligible districts and eligible public school academies under this section shall be based on the number of individuals enrolled in educational programs in the district or public school academy whether or not an individual is counted as a pupil 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 and reported to the department by October 31 Beginning in 1995 96 the amount of the additional allowance under this section shall be based on the number of actual pupils in membership in the district or public school academy who met those criteria in the immediately preceding fiscal year as determined under the national school lunch act and reported to the department by October 31 of the current fiscal year

(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. However, for 1994-95 only, an eligible district or eligible public school academy shall receive the amount specified under this subsection for each individual enrolled in an educational program in the district or public school academy, respectively, whether or not the individual is counted as a pupil who meets those criteria. 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 individuals for whom the district receives an allocation under subsection (4) 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. 37a. For 1994-95 only, after the effective date of this section, a district shall be considered to meet the requirements of section 37(h) if more than 50% of the children participating meet the income eligibility criteria for free or reduced-price lunch as determined under the national school lunch act, chapter 281.60 Stat. 230. The allocation to a district that qualifies under this section shall be prorated so that the amount of the allocation for each additional child served by the program due to the operation of this section is reduced to cover only the remainder of the school year after the effective date of this section.

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 mathematic 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 address 2 or more 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 2 or more of the 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 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 (G E D) 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 G E D 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 However if a district or consortium demonstrates to the satisfaction of the department that in 1993 94 it conducted a 900 hour program of alternative education through adult education the district's or consortium's final audited 1993 94 participant count for participants in that 900 hour program shall not be adjusted for the change 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 (G E D) 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 GED 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 111 (1) Except as provided in section 113 a district having tuition pupils enrolled on the pupil membership count day of each year may charge the district in which the tuition pupils reside an amount for tuition that does not exceed 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 The rate charged by a district for tuition shall be uniform within each category of tuition pupils enrolled in the district

(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 pupil's 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

This act is ordered to take immediate effect

Secretary of the Senate

Co Clerk of the House of Representatives

Approved

Governor