



HOUSE BILL No. 5123

October 12, 1993, Introduced by Reps. Gilmer, Bender, London, Dalman, Johnson, Bullard, DeLange, Bandstra, Dobb, Munsell, Stille, Walberg and Martin and referred to the Committee on Appropriations.

A bill to amend sections 3, 5, 6, 7, 9, 11, 14, 15, 17b, 18, 19, 21b, 24, 36, 37, 38, 39, 51, 52, 53, 54, 56, 74, 75, 81, 101, 104a, 107a, 107b, 124, 145, 147, 149, 152a, 162, and 167 of Act No. 94 of the Public Acts of 1979, entitled as amended

"The state school aid act of 1979,"

sections 3, 6, 11, 14, 15, 17b, 18, 19, 21b, 24, 36, 37, 39, 51, 52, 53, 54, 56, 74, 75, 81, 101, 104a, 107a, 107b, 145, 147, 149, 152a, 162, and 167 as amended by Act No. 175 of the Public Acts of 1993, section 7 as amended by Act No. 212 of the Public Acts of 1986, section 38 as amended by Act No. 118 of the Public Acts of 1991, and section 124 as amended by Act No. 148 of the Public Acts of 1992, being sections 388.1603, 388.1605, 388.1606, 388.1607, 388.1609, 388.1611, 388.1614, 388.1615, 388.1617b, 388.1618, 388.1619, 388.1621b, 388.1624, 388.1636, 388.1637, 388.1638, 388.1639, 388.1651, 388.1652, 388.1653, 388.1654,

388.1656, 388.1674, 388.1675, 388.1681, 388.1701, 388.1704a, 388.1707a, 388.1707b, 388.1724, 388.1745, 388.1747, 388.1749, 388.1752a, 388.1762, and 388.1767 of the Michigan Compiled Laws; to add sections 20, 20a, 20b, 58, 107e, and 168b; and to repeal certain parts of the act.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 3, 5, 6, 7, 9, 11, 14, 15, 17b, 18, 19,
2 21b, 24, 36, 37, 38, 39, 51, 52, 53, 54, 56, 74, 75, 81, 101,
3 104a, 107a, 107b, 124, 145, 147, 149, 152a, 162, and 167 of Act
4 No. 94 of the Public Acts of 1979, sections 3, 6, 11, 14, 15,
5 17b, 18, 19, 21b, 24, 36, 37, 39, 51, 52, 53, 54, 56, 74, 75, 81,
6 101, 104a, 107a, 107b, 145, 147, 149, 152a, 162, and 167 as
7 amended by Act No. 175 of the Public Acts of 1993, section 7 as
8 amended by Act No. 212 of the Public Acts of 1986, section 38 as
9 amended by Act No. 118 of the Public Acts of 1991, and section
10 124 as amended by Act No. 148 of the Public Acts of 1992, being
11 sections 388.1603, 388.1605, 388.1606, 388.1607, 388.1609,
12 388.1611, 388.1614, 388.1615, 388.1617b, 388.1618, 388.1619,
13 388.1621b, 388.1624, 388.1636, 388.1637, 388.1638, 388.1639,
14 388.1651, 388.1652, 388.1653, 388.1654, 388.1656, 388.1674,
15 388.1675, 388.1681, 388.1701, 388.1704a, 388.1707a, 388.1707b,
16 388.1724, 388.1745, 388.1747, 388.1749, 388.1752a, 388.1762, and
17 388.1767 of the Michigan Compiled Laws, are amended and sections
18 20, 20a, 20b, 58, 107e, and 168b are added to read as follows:
19 Sec. 3. (1) "Average daily attendance", for the purposes of
20 complying with section 1471 of subpart 5 of part 5 of chapter 1
21 of title I of the elementary and secondary education act, public

1 law 89-10, 20 U.S.C. 2891, means 92% of the membership as defined
2 in section 6(4).

3 (2) "Board" means the governing body of a district OR
4 CHARTER PUBLIC SCHOOL.

5 (3) "CHARTER PUBLIC SCHOOL" MEANS A CHARTER PUBLIC SCHOOL
6 ESTABLISHED UNDER PART 6A OF THE SCHOOL CODE OF 1976, BEING
7 SECTIONS 380.501 TO 380.510 OF THE MICHIGAN COMPILED LAWS.

8 (4) ~~-(3)-~~ "Department" means the department of education.

9 (5) ~~-(4)-~~ "District" means a local school district estab-
10 lished under part 2, 3, 4, 5, or 6 of the school code of 1976, a
11 local act school district, or, ~~an instructional program imple-~~
12 ~~mented by a public university under section 23c that complies~~
13 ~~with the requirements of section 23c~~ EXCEPT IN SECTION 20, A
14 CHARTER PUBLIC SCHOOL.

15 (6) ~~-(5)-~~ "District superintendent" means the superintendent
16 of a district or the chief administrator of ~~an instructional~~
17 ~~program implemented by a public university under section 23c~~ A
18 CHARTER PUBLIC SCHOOL.

19 Sec. 5. (1) "Intermediate board" means the governing body
20 of an intermediate district.

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

23 (3) "INTERMEDIATE DISTRICT WEIGHTED AVERAGE ALLOCATION"
24 MEANS THE AVERAGE ALLOCATION PER MEMBERSHIP PUPIL UNDER
25 SECTION 20 OF THE INTERMEDIATE DISTRICT'S CONSTITUENT DISTRICTS,
26 WEIGHTED AS TO MEMBERSHIP. FOR THE PURPOSES OF CALCULATING THAT
27 AVERAGE, FOR A DISTRICT DESCRIBED IN SECTION 20(4), THE

1 DISTRICT'S ALLOCATION PER MEMBERSHIP PUPIL UNDER SECTION 20 SHALL
2 BE CONSIDERED TO BE THE SUM OF THE DISTRICT'S ALLOCATIONS UNDER
3 SECTION 20(1) AND (2) PLUS THE DISTRICT'S LOCAL SCHOOL OPERATING
4 REVENUE PER MEMBERSHIP PUPIL OR SUPPLEMENTAL PAYMENT UNDER
5 SECTION 20(4). AS USED IN THIS SUBSECTION, "LOCAL SCHOOL OPERAT-
6 ING REVENUE PER MEMBERSHIP PUPIL" MEANS THAT TERM AS DEFINED IN
7 SECTION 20.

8 (4) ~~(3)~~ "Intermediate superintendent" means the superin-
9 tendent of an intermediate district.

10 Sec. 6. (1) "Center program" means a program operated by a
11 district or intermediate district for special education pupils
12 from several districts in programs for the autistically impaired,
13 trainable mentally impaired, severely mentally impaired, severely
14 multiply impaired, hearing impaired, physically and otherwise
15 health impaired, and visually impaired. Programs for emotionally
16 impaired pupils housed in buildings that do not serve regular
17 education pupils shall also qualify. Unless otherwise approved
18 by the department, a center program either shall serve all con-
19 stituent districts within an intermediate district or shall serve
20 several districts with less than 50% of the pupils residing in
21 the operating district. In addition, pupils approved by the
22 department, who formerly would have been placed in a center pro-
23 gram, placed in noncenter programs to comply with the least
24 restrictive environment provisions of section 612 of part B of
25 the individuals with disabilities education act, public law
26 91-230, 20 U.S.C. 1412, may be counted under this section if all
27 of the following are met:

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

3 (b) The pupil is eligible as autistically impaired, traina-
4 ble mentally impaired, severely mentally impaired, and severely
5 multiply impaired.

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

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

20 (4) "Membership", except as otherwise provided in this sec-
21 tion and ~~sections 56 and 62~~ SECTION 56, means the ~~average~~
22 number of full-time equated pupils in grades K to 12 actually
23 enrolled and in regular daily attendance on the pupil membership
24 count ~~day for the current and immediately preceding school~~
25 ~~years~~ DAYS, as determined by the department ~~and calculated by~~
26 ~~adding~~ USING the unaudited count completed by the department not
27 later than ~~90~~ 45 days after EACH OF the pupil membership count

1 ~~day~~ DAYS of the number of pupils registered for attendance plus
2 pupils received by transfer and minus pupils lost as defined by
3 rules promulgated by the state board, and as corrected by a sub-
4 sequent department audit. ~~, plus the final audited count from~~
5 ~~the immediately preceding fiscal year, and dividing that sum by~~
6 2. However, all of the following apply to determining the mem-
7 bership of a district or intermediate district:

8 ~~(a) A district's or intermediate district's membership for~~
9 ~~all full time pupils in grades K to 12 counted under section 24~~
10 ~~is the number of those full time pupils enrolled and in regular~~
11 ~~daily attendance in the district or intermediate district on the~~
12 ~~pupil membership count day in the current school year, as deter-~~
13 ~~mined by the department using the unaudited membership count com-~~
14 ~~pleted by the department not later than 90 days after that pupil~~
15 ~~membership count day and as corrected by a subsequent department~~
16 ~~audit.~~

17 ~~(b) For the first year of operation only of an instructional~~
18 ~~program implemented by a public university under section 23c, the~~
19 ~~membership of that instructional program is the number of~~
20 ~~full time pupils enrolled and in regular daily attendance in the~~
21 ~~instructional program on the pupil membership count day in the~~
22 ~~current school year, as determined by the department using the~~
23 ~~unaudited count completed by the department not later than 90~~
24 ~~days after that pupil membership count day and as corrected by a~~
25 ~~subsequent department audit. After the first year of operation~~
26 ~~of the instructional program, the membership of the instructional~~

1 ~~program shall be determined as otherwise provided in this~~
2 ~~subsection.~~

3 (A) ~~-(c)-~~ In a district operating an extended school year
4 program approved by the state board, a pupil enrolled, but not
5 scheduled to be in regular daily attendance on ~~the~~ A pupil mem-
6 bership count day, shall be counted.

7 (B) ~~-(d)-~~ Pupils to be counted in membership shall be not
8 less than 5 years of age on December 1 and less than 20 years of
9 age on September 1 of the school year except a special education
10 pupil who is enrolled and receiving instruction in a special edu-
11 cation program approved by the department and not having a high
12 school diploma who is less than 26 years of age as of September 1
13 of the current school year shall be counted in membership.

14 (C) ~~-(e)-~~ An individual who has obtained a high school
15 diploma shall not be counted in membership. An individual who
16 has obtained a general education development (G.E.D.) certifi-
17 cate shall not be counted in membership.

18 (D) ~~-(f)-~~ The department shall give a uniform interpretation
19 of full-time and part-time memberships.

20 ~~-(g)- The department may provide a district with an adjust-~~
21 ~~ment of the district's membership count upon the showing of a~~
22 ~~substantial increase in membership due to the closing of a non-~~
23 ~~public school or a substantial influx of new residents into the~~
24 ~~district resulting in a membership increase in a single building~~
25 ~~of at least 5% but not less than 25 pupils after the pupil mem-~~
26 ~~bership count day.~~

1 ~~(h) For 1993-94, an intermediate district that operates a~~
2 ~~program under section 06 may count in its membership the number~~
3 ~~of full time equated pupils who are enrolled and in regular daily~~
4 ~~attendance in the program under section 06 on the pupil member-~~
5 ~~ship count day in the current school year. A pupil counted in~~
6 ~~membership in an intermediate district under this subdivision~~
7 ~~shall not be counted in membership in a district.~~

8 ~~(i) For 1993-94, a district that administers a~~
9 ~~department approved K-12 alternative education program involving~~
10 ~~2 or more districts and a public community college may count in~~
11 ~~its 1993-94 membership all full time pupils who were not counted~~
12 ~~in the administering district in 1992-93 and are enrolled and in~~
13 ~~regular daily attendance on the pupil membership count day in the~~
14 ~~current school year in the alternative education program.~~
15 ~~However, not more than 50 pupils may be counted in 1993-94 mem-~~
16 ~~bership statewide under this subdivision. Upon request by the~~
17 ~~department, the administering district shall provide to the~~
18 ~~department a list by district of residence of the pupils enrolled~~
19 ~~in the alternative education program for 1992-93 and for 1993-94~~
20 ~~and any other information the department needs to verify the eli-~~
21 ~~gibility of a pupil to be counted under this subdivision.~~

22 (E) ~~(j)~~ For the purposes of this subsection, full-time
23 equated memberships shall be determined by dividing the number of
24 class hours scheduled and provided per year per pupil by ~~900-~~
25 990.

26 (5) "Pupil" means a person in membership in a public
27 school. ~~A district must have the approval of the pupil's~~

~~1 district of residence to count the pupil in membership, except~~
~~2 approval by the pupil's district of residence shall not be~~
~~3 required for nonpublic part time pupils, for pupils receiving 1/2~~
~~4 or less of their instruction in a district other than their dis-~~
~~5 trict of residence, or for those pupils who were enrolled and in~~
~~6 regular daily attendance and remain enrolled and in regular daily~~
~~7 attendance in the district other than their district of residence~~
~~8 before April 1, 1981.~~

9 (6) "Pupil membership count ~~day~~ DAYS" of a district or
10 intermediate district means THE FOLLOWING DAYS OR, IF SCHOOL IS
11 NOT SCHEDULED TO BE IN SESSION ON 1 OF THESE DAYS, THE NEXT SUC-
12 CEEDING DAY IN THE SCHOOL FISCAL YEAR WHEN SCHOOL IS SCHEDULED TO
13 BE IN SESSION:

14 (a) The ~~fourth~~ FIRST Friday ~~following Labor day each~~
15 ~~school year~~ IN OCTOBER.

16 (b) ~~For a district or intermediate district maintaining~~
17 ~~school during the entire school year, the following days: (i)~~
18 ~~Fourth~~ FIRST Friday in ~~July~~ DECEMBER.

19 (C) ~~(ii) Fourth~~ THIRD Friday in ~~October~~ FEBRUARY.

20 ~~(iii) Fourth Friday in January.~~

21 (D) ~~(iv) Fourth~~ THIRD Friday in April.

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

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

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

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

7 (11) ~~"Tuition pupil" means a pupil of school age attending~~
8 ~~school in a district other than the pupil's district of~~
9 ~~residence. A pupil's district of residence shall not require a~~
10 ~~high school tuition pupil, as provided under section 111, to~~
11 ~~attend another school district after the pupil has been assigned~~
12 ~~to a school district.~~ "STATE SCHOOL AID FUND" MEANS THE STATE
13 SCHOOL AID FUND ESTABLISHED IN SECTION 11 OF ARTICLE IX OF THE
14 STATE CONSTITUTION OF 1963.

15 Sec. 7. Costs for school operating purposes include all of
16 the following expenditures from the general fund of a district or
17 from the operating funds of an intermediate district:

18 (a) Expenditures for instruction and support services,
19 including salaries and employee benefits of teachers and other
20 employees, INCLUDING, BUT NOT LIMITED TO, PAYMENTS TO THE PUBLIC
21 SCHOOL EMPLOYEES RETIREMENT SYSTEM AND EMPLOYER CONTRIBUTIONS FOR
22 FEDERAL SOCIAL SECURITY AND MEDICARE OBLIGATIONS, purchased serv-
23 ices, textbooks, and other supplies and materials.

24 (b) Expenditures for furniture and equipment, for alter-
25 ations necessary to maintain school facilities in a safe and san-
26 itary condition, for funding the cost of energy conservation

1 improvements in school facilities, and for deficiencies in
2 operating expenses for the preceding year.

3 (c) Expenditures for school lunch programs, bookstore opera-
4 tions, interscholastic athletics, community services, and cooper-
5 ative education projects.

6 (D) ALL OTHER EXPENDITURES NECESSARY TO PROVIDE THE PROGRAMS
7 AND SERVICES UNDER THE SCHOOL CODE OF 1976.

8 Sec. 9. The ~~state board~~ DEPARTMENT shall promulgate rules
9 necessary to implement and administer this act. The rules

10 ~~which~~ THAT affect the distribution of a school aid program
11 shall not be promulgated later than the third Friday of January
12 of the year following legislative enactment of the program. The
13 joint legislative committee on administrative rules shall report
14 a violation of this section to the legislature and the governor.

15 Sec. 11. There is appropriated FOR THE PUBLIC SCHOOLS OF
16 THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATED TO EDUCATION
17 from the state school aid fund established by section 11 of arti-
18 cle IX of the state constitution of 1963 — THE SUM OF
19 \$8,854,000,000.00 for the fiscal year ending September 30, 1995.

20 ~~+1994, the sum necessary to fulfill the requirements of this act,~~
21 ~~and any deficiency is appropriated from the general fund by the~~
22 ~~legislature.~~ In addition, available federal funds ~~and certain~~
23 ~~funds from the reserve for health benefits~~ are appropriated.
24 The ~~appropriations~~ APPROPRIATION shall be allocated as provided
25 in this act.

26 Sec. 14. If the returns from an intermediate district or
27 district upon which a statement of the amount to be disbursed or

1 paid are defective, making it impracticable to ascertain the
2 apportionment to be disbursed or paid, the department shall
3 WITHHOLD THE AMOUNT OF THE APPORTIONMENT THAT CANNOT BE ASCER-
4 TAINED UNTIL THE DEPARTMENT IS ABLE TO ascertain by the best evi-
5 dence available the facts upon which the ratio and amount of the
6 apportionment depend, and then shall make the apportionment
7 accordingly.

8 Sec. 15. (1) If a district or intermediate district fails
9 to receive its proper apportionment, the department, upon satis-
10 factory proof that the district or intermediate district was
11 entitled justly, shall apportion the deficiency in the next
12 apportionment. Subject to subsections (2) and (3), if a district
13 or intermediate district has received more than its proper appor-
14 tionment, the department, upon satisfactory proof, shall deduct
15 the excess in the next apportionment, except that a deduction due
16 to an adjustment ~~by the state tax commission~~ in the equalized
17 valuation of a district or intermediate district shall be made in
18 the apportionment for the fiscal year following the fiscal year
19 in which ~~the state tax commission finalizes~~ the valuation IS
20 FINALIZED. Notwithstanding any other provision in this act,
21 state aid overpayments to a district, other than overpayments in
22 payments for special education or special education transporta-
23 tion, may be recovered from any payment made under this act other
24 than a special education or special education transportation
25 payment. State aid overpayments made in special education or
26 special education transportation payments may be recovered from

1 subsequent special education or special education transportation
2 payments.

3 (2) If the result of an audit conducted by or for the
4 department affects the current fiscal year membership, affected
5 payments shall be adjusted in the current fiscal year. A deduc-
6 tion due to ~~any other~~ AN adjustment made as a result of an
7 audit conducted ~~in 1992-93 or a succeeding fiscal year~~ by or
8 for the department shall be deducted from the district's appor-
9 tionments within ~~a 3 year period beginning in~~ the next fiscal
10 year after the fiscal year in which the adjustment is finalized.
11 At the request of the district and upon the district presenting
12 evidence satisfactory to the department of the hardship, the
13 department may grant up to an additional 2 years for the adjust-
14 ment if the district would otherwise experience a significant
15 hardship.

16 (3) ~~A deduction of more than \$125,000.00 made as a result~~
17 ~~of a miscalculation made in 1991-92 by the department shall be~~
18 ~~deducted from the district's apportionments within a 3 year~~
19 ~~period beginning in the next fiscal year after the fiscal year in~~
20 ~~which the adjustment is finalized, except that a deduction under~~
21 ~~this subsection shall not be made in 1993-94. At the request of~~
22 ~~the district and upon the district presenting evidence satisfac-~~
23 ~~tory to the department of the hardship, the department may grant~~
24 ~~up to an additional 2 years for the deduction if the district~~
25 ~~would otherwise experience a significant hardship. IF, BECAUSE~~
26 ~~OF THE RECEIPT OF NEW OR UPDATED DATA, THE DEPARTMENT DETERMINES~~
27 ~~DURING A FISCAL YEAR THAT THE AMOUNT PAID TO A DISTRICT OR~~

1 INTERMEDIATE DISTRICT UNDER THIS ACT FOR A PRIOR FISCAL YEAR WAS
 2 INCORRECT UNDER THE LAW IN EFFECT FOR THAT YEAR, THE DEPARTMENT
 3 MAY MAKE THE APPROPRIATE DEDUCTION OR PAYMENT IN THE DISTRICT'S
 4 OR INTERMEDIATE DISTRICT'S ALLOCATION FOR THE FISCAL YEAR IN
 5 WHICH THE DETERMINATION IS MADE. THE DEDUCTION OR PAYMENT SHALL
 6 BE CALCULATED ACCORDING TO THE LAW IN EFFECT IN THE FISCAL YEAR
 7 IN WHICH THE IMPROPER AMOUNT WAS PAID.

8 (4) Expenditures made by the department under this act that
 9 are caused by the write-off of prior year accruals may be funded
 10 by revenue from the write-off of prior year accruals.

11 Sec. 17b. (1) Not later than October 20, November 20,
 12 December 20, January 20, February 20, March 20, April 20, May 20,
 13 June 20, and August 20, the department shall prepare a statement
 14 of the amount to be distributed under this act in the installment
 15 to the districts and intermediate districts and deliver the
 16 statement to the state treasurer, and the state treasurer shall
 17 pay the installments on each of those dates or on the next busi-
 18 ness day following each of those dates. The portion of the
 19 district's or intermediate district's state fiscal year entitle-
 20 ment to be included in each installment shall be 10%. ~~10%,~~
 21 ~~10%, 9%, 10%, 9%, 10%, 9%, 10%, and 13%, respectively. For the~~
 22 ~~1992-93 and each succeeding state fiscal year, no payment shall~~
 23 ~~be made on August 20 except to a district or intermediate dis-~~
 24 ~~trict that received a payment in August of the immediately pre-~~
 25 ~~ceding state fiscal year. Each district and intermediate dis-~~
 26 ~~trict whose August payment is delayed by this section shall~~
 27 ~~receive allocations for restoring the delayed August payment in~~

~~1 the next succeeding state fiscal year in 9 equal installments~~
~~2 during the period October 1 to June 30. The total of a~~
~~3 district's allocation for restoring a delayed August payment~~
~~4 shall equal the amount that would have been paid to the district~~
~~5 in that August payment if it had not been delayed.~~

6 (2) BEGINNING WITH THE PAYMENT TO BE RECEIVED ON AUGUST 20,
 7 1995, EACH DISTRICT AND INTERMEDIATE DISTRICT SHALL ACCRUE ITS
 8 AUGUST 20 PAYMENT EACH YEAR TO ITS SCHOOL FISCAL YEAR ENDING THE
 9 IMMEDIATELY PRECEDING JUNE 30.

10 (3) The state treasurer shall make payment under this sec-
 11 tion by drawing a warrant in favor of the treasurer of each dis-
 12 trict or intermediate district for the amount payable to the dis-
 13 trict or intermediate district according to the statement and
 14 delivering the warrant to the treasurer of each district or
 15 intermediate district, or if the state treasurer receives a writ-
 16 ten request by the treasurer of the district or intermediate dis-
 17 trict specifying an account, by electronic funds transfer to that
 18 account of the amount payable to the district or intermediate
 19 district according to the statement. The department may make
 20 adjustments in payments made under this section through addi-
 21 tional payments when changes in law or errors in computation
 22 cause the regularly scheduled payment to be less than the amount
 23 to which the district or intermediate district is entitled pursu-
 24 ant to this act.

25 ~~(2) Payments made pursuant to subsection (1) shall be~~
 26 ~~adjusted so that districts and intermediate districts receive, in~~
 27 ~~addition, in their 1982-83 school fiscal year those amounts by~~

~~1 which their 1982 83 school fiscal year payments were reduced due
2 to Executive Order 1982 13. Payments in subsequent fiscal years
3 shall be adjusted so that districts and intermediate districts
4 receive in 2 equal payments not later than November 30 of their
5 school fiscal year those amounts by which the payments of that
6 school fiscal year were reduced due to this subsection.~~

~~7 (3) Payments made pursuant to subsection (1) shall be
8 adjusted so that districts and intermediate districts receive, in
9 addition, in their 1983 84 school fiscal year 60% of those
10 amounts by which their 1983 84 school fiscal year payments were
11 reduced due to Executive Order 1983 5. Payments in subsequent
12 fiscal years shall be adjusted so that districts and intermediate
13 districts receive in 2 equal payments not later than November 30
14 for each school fiscal year those amounts by which the payments
15 of that school fiscal year were reduced due to this subsection.~~

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

~~20 (5) For the 1993 94 state fiscal year, if a district files a
21 statement with the state treasurer not later than August 15 of
22 the immediately preceding state fiscal year certifying that the
23 district expects the amount of industrial facility tax levied
24 under Act No. 198 of the Public Acts of 1974, being sections
25 207.551 to 207.571 of the Michigan Compiled Laws, to exceed state
26 school aid payments under section 21(1) in the 1993 94 state
27 fiscal year, and the district's industrial facility tax payment~~

~~1 exceeded state school aid payments under section 21(1) in the
2 immediately preceding state fiscal year, the October school aid
3 payment shall be increased by the amount by which the state trea-
4 surer certifies that the industrial facility tax will exceed the
5 payments under section 21(1). However, the amount of the
6 increase shall not exceed the amount by which the industrial
7 facility tax exceeded section 21(1) state school aid payments in
8 the immediately preceding state fiscal year. If the state tax
9 commission certifies that industrial facility tax collections for
10 a district subject to this subsection are less than the sum of
11 the adjustments made under this subsection and the district's
12 entitlement under section 21(1), the difference shall be deducted
13 from the June school aid payment.~~

14 (4) ~~(6)~~ Except as otherwise specified in this act, grant
15 payments under this act shall be paid according to
16 subsection (1).

17 ~~(7) Subject to subsection (8), in order to receive pay-
18 ments under this act, a district shall comply with part 7a of the
19 school code of 1976, being sections 380.751 to 380.756 of the
20 Michigan Compiled Laws. If an out of formula district does not
21 comply with part 7a of the school code of 1976, an amount equal
22 to the amount of state aid that the out of formula district would
23 have been paid under this act if it had complied with part 7a of
24 the school code of 1976 shall be paid by the state treasurer not
25 later than May 15 to the in formula districts in the region in
26 which the out of formula district is located on the same basis as
27 payments are made to in formula districts under part 7a of the~~

~~1 school code of 1976. As used in this subsection, "in formula
2 district", "out of formula district", and "region" mean those
3 terms as defined in part 7a of the school code of 1976.~~

~~4 (8) The department shall monitor pending litigation concern-
5 ing tax base sharing under part 7a of the school code of 1976
6 and, upon resolution of Macomb county taxpayers association,
7 et. al. v. L'Anse Creuse public schools, et. al., Macomb county
8 circuit court case no. 91-5119 CE, shall notify each district
9 that that litigation has been resolved and of the resulting legal
10 status of tax base sharing under part 7a of the school code of
11 1976. The requirements and adjustments of this act related to
12 tax base sharing payments under part 7a of the school code of
13 1976 shall not apply to a district unless and until the district
14 receives notice from the department pursuant to this subsection
15 that the Macomb county litigation referred to in this subsection
16 has been resolved and that tax base sharing under part 7a of the
17 school code of 1976 remains in effect. If a district receives
18 such a notice from the department, the requirements and adjust-
19 ments of this act related to tax base sharing under part 7a of
20 the school code of 1976 shall apply to the district beginning in
21 the next succeeding state fiscal year after receipt of the
22 notice.~~

~~23 (9) If part 7a of the school code of 1976, being sections
24 388.751 to 388.756 of the Michigan Compiled Laws, is repealed,
25 funds held by a regional controller pursuant to that part and
26 funds held in escrow shall be distributed in the manner provided
27 in the escrow agreements reached between the litigants in the~~

1 ~~Case of Macomb county taxpayers association, et. al. v L'Anse~~
 2 ~~Creuse public schools et. al., Macomb county circuit court case~~
 3 ~~no. 91-5119 CZ, for distribution of the funds as if the final~~
 4 ~~appellate disposition of that case were that those sections of~~
 5 ~~the school code of 1976 are unconstitutional, as determined by~~
 6 ~~the department.~~

7 (5) ~~(10)~~ Upon the written request of a district or inter-
 8 mediate district operating under an approved deficit reduction
 9 plan under section 102 and the submission of proof satisfactory
 10 to the department of a need of a temporary and nonrecurring
 11 nature, the superintendent, with the written concurrence of the
 12 state treasurer and the director of management and budget, may
 13 authorize an advance release of funds due a district or interme-
 14 diate district under this act. Such an advance shall not cause
 15 funds to be paid to a district or intermediate district more than
 16 30 days earlier than the established payment date for those
 17 funds.

18 Sec. 18. (1) Except as provided in another section of this
 19 act, each district or other entity shall apply the money received
 20 by the district or entity under this act to salaries of teachers
 21 and other employees, tuition, transportation, lighting, heating,
 22 ventilation, water service, the purchase of textbooks which are
 23 designated by the board to be used in the schools under the
 24 board's charge, other supplies, and any other school operating
 25 expenditures defined in section 7. ~~Except for a district~~
 26 ~~affected by section 22(2), an~~ AN amount equal to not more than
 27 5% of the total amount received by a district under article 2 may

1 be transferred by the board to either the building and site fund
2 or to the debt retirement fund for debt service. The money shall
3 not be applied or taken for a purpose other than as provided in
4 this section. The department shall determine the reasonableness
5 of expenditures and may withhold from a recipient of funds under
6 this act the apportionment otherwise due for the fiscal year fol-
7 lowing the discovery by the department of a violation by the
8 recipient.

9 (2) For the purpose of determining the reasonableness of
10 expenditures and whether a violation of this act has occurred,
11 the department shall require that each district have an audit of
12 the district's financial and pupil accounting records conducted
13 at least annually at the expense of the district by a certified
14 public accountant or by the intermediate district superintendent,
15 as may be required by the department, or in the case of a dis-
16 trict of the first class by a certified public accountant, the
17 intermediate superintendent, or the auditor general of the city.
18 The financial and pupil accounting records audits shall be accom-
19 panied by the district's or intermediate district's annual finan-
20 cial audit, which shall include an analysis of the financial and
21 pupil accounting data used as the basis for distribution of state
22 school aid. The audits and management letters are subject to
23 requirements established in the auditing and accounting manuals
24 approved and published by the ~~state board in consultation with~~
25 ~~referent groups composed of district officials and certified~~
26 ~~public accountants~~ DEPARTMENT. A copy of the report of each
27 audit shall be filed, as required by the ~~state board~~

1 DEPARTMENT, not later than 120 days after the end of each school
2 fiscal year and shall be available to the public in compliance
3 with the freedom of information act, Act No. 442 of the Public
4 Acts of 1976, as amended, being sections 15.231 to 15.246 of the
5 Michigan Compiled Laws. Not later than December 1 of each year,
6 the department shall notify the department of management and
7 budget and the legislative appropriations subcommittees responsi-
8 ble for review of the school aid budget of districts that have
9 not filed an audit required under this section for the school
10 year ending in the immediately preceding fiscal year.

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

19 (4) If a district or intermediate district does not comply
20 with subsection (2) or (3), the department shall withhold 5% of
21 the TOTAL funds due to the district or intermediate district
22 under this act until the district or intermediate district com-
23 plies with subsections (2) and (3). IF THE DISTRICT OR INTERME-
24 DIATE DISTRICT DOES NOT COMPLY WITH SUBSECTIONS (2) AND (3) BY
25 THE END OF THE FISCAL YEAR, THE DISTRICT OR INTERMEDIATE DISTRICT
26 FORFEITS THE AMOUNT WITHHELD.

1 Sec. 19. ~~(1) In order to receive all of the funds for~~
 2 ~~which the district qualifies under this act, not later than~~
 3 ~~September 1 of each year a district shall provide to the depart-~~
 4 ~~ment the annual education report described in section 1204a of~~
 5 ~~the school code of 1976, being section 380.1204a of the Michigan~~
 6 ~~Compiled Laws, for the previous school year, and shall provide~~
 7 ~~the annual education report to the public not later than~~
 8 ~~October 15. In developing this annual education report, the dis-~~
 9 ~~trict shall use data disaggregated by gender and by race.~~

10 (1) ~~(2) For each school fiscal year beginning with the~~
 11 ~~1992-93 school fiscal year, each~~ EACH district and intermediate
 12 district shall provide to the department, in a form and manner
 13 prescribed by the department, information necessary for the
 14 development of an annual progress report on the implementation of
 15 sections 1204a, 1277, 1278, and 1280 of the school code of 1976,
 16 being sections 380.1204a, 380.1277, 380.1278, and 380.1280 of the
 17 Michigan Compiled Laws, commonly referred to as "public act 25 of
 18 1990", and on the achievement of national education goals.

19 (2) ~~(3)~~ A district OR INTERMEDIATE DISTRICT that fails to
 20 meet the requirements of this section shall forfeit 5% of the
 21 TOTAL funds for which the district OR INTERMEDIATE DISTRICT qual-
 22 ifies under this act. IF THE DISTRICT OR INTERMEDIATE DISTRICT
 23 DOES NOT COMPLY WITH THIS SECTION BY THE END OF THE FISCAL YEAR,
 24 THE DISTRICT OR INTERMEDIATE DISTRICT FORFEITS THE AMOUNT
 25 WITHHELD.

26 SEC.-20. (1) EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, FROM
 27 THE APPROPRIATION IN SECTION 11 THERE IS ALLOCATED A FOUNDATION

1 ALLOWANCE PER MEMBERSHIP PUPIL ENROLLED IN EACH DISTRICT, AS
2 ADJUSTED ON EACH PUPIL MEMBERSHIP COUNT DAY. FOR 1994-95, THE
3 AMOUNT OF THE FOUNDATION ALLOWANCE IS \$4,500.00.

4 (2) FOR 1995-96 AND EACH SUCCEEDING FISCAL YEAR, THE AMOUNT
5 OF THE FOUNDATION ALLOWANCE SHALL BE ADJUSTED BY THE SAME PERCENTAGE
6 AS THE PERCENTAGE CHANGE IN THE GROWTH OF STATE SCHOOL AID
7 FUND REVENUE, ADJUSTED FOR RELEVANT CHANGES IN TAX LAW, FROM THE
8 IMMEDIATELY PRECEDING FISCAL YEAR, WITH FURTHER ADJUSTMENT FOR
9 CHANGES IN PUPIL MEMBERSHIP. THE INDEX TO BE USED TO MAKE THESE
10 ADJUSTMENTS SHALL BE DETERMINED AS FOLLOWS:

11 (A) THE NUMERATOR OF THE FRACTION TO BE USED IN CALCULATING
12 THE INDEX IS THE TOTAL STATE SCHOOL AID FUND REVENUE FOR THE CURRENT
13 STATE FISCAL YEAR.

14 (B) THE DENOMINATOR OF THE FRACTION TO BE USED IN CALCULATING
15 THE INDEX IS THE TOTAL STATE SCHOOL AID FUND REVENUE FOR THE
16 IMMEDIATELY PRECEDING STATE FISCAL YEAR.

17 (C) THE RESULTING FRACTION DERIVED UNDER SUBDIVISIONS (A)
18 AND (B) SHALL THEN BE ADJUSTED BY A PUPIL MEMBERSHIP ADJUSTMENT
19 FACTOR. THE PUPIL MEMBERSHIP ADJUSTMENT FACTOR SHALL BE COMPUTED
20 BY DIVIDING THE MEMBERSHIP FOR THE SCHOOL YEAR ENDING IN THE
21 IMMEDIATELY PRECEDING STATE FISCAL YEAR BY THE MEMBERSHIP FOR THE
22 SCHOOL YEAR ENDING IN THE CURRENT STATE FISCAL YEAR. THIS PUPIL
23 ADJUSTMENT FACTOR SHALL BE MULTIPLIED BY THE FRACTION DERIVED
24 UNDER SUBDIVISIONS (A) AND (B) TO DETERMINE THE FINAL INDEX.

25 (D) THE FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING
26 STATE FISCAL YEAR SHALL BE MULTIPLIED BY THE FINAL INDEX
27 CALCULATED UNDER SUBDIVISION (C). THIS RESULT IS THE AMOUNT OF

1 THE FOUNDATION ALLOWANCE PER MEMBERSHIP PUPIL FOR THE CURRENT
2 STATE FISCAL YEAR.

3 (3) IN ADDITION TO THE FOUNDATION ALLOWANCE PER MEMBERSHIP
4 PUPIL ALLOCATED UNDER SUBSECTION (1), FROM THE APPROPRIATION IN
5 SECTION 11 THERE IS ALLOCATED FOR 1994-95 AND EACH SUCCEEDING
6 FISCAL YEAR A SUPPLEMENTAL PAYMENT PER MEMBERSHIP PUPIL FOR EACH
7 PUPIL ENROLLED IN A DISTRICT DESCRIBED IN THIS SUBSECTION, AS
8 ADJUSTED ON EACH PUPIL MEMBERSHIP COUNT DAY. FOR A DISTRICT THAT
9 IN 1993-94 HAD COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP
10 PUPIL OF MORE THAN \$4,500.00 AND NOT MORE THAN \$5,500.00, THE
11 AMOUNT OF THE SUPPLEMENTAL PAYMENT PER MEMBERSHIP PUPIL UNDER
12 THIS SUBSECTION SHALL BE THE AMOUNT NECESSARY TO ENSURE THAT THE
13 DISTRICT'S COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL
14 FOR THE SCHOOL FISCAL YEAR ENDING IN 1994-95 IS 102% OF THE
15 DISTRICT'S COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL
16 FOR THE SCHOOL FISCAL YEAR ENDING IN 1993-94. FOR A DISTRICT
17 THAT IN 1993-94 HAD COMBINED STATE AND LOCAL REVENUE PER MEMBER-
18 SHIP PUPIL OF MORE THAN \$5,500.00 AND NOT MORE THAN \$6,500.00,
19 THE AMOUNT OF THE SUPPLEMENTAL PAYMENT PER MEMBERSHIP PUPIL UNDER
20 THIS SUBSECTION SHALL BE THE AMOUNT NECESSARY TO ENSURE THAT THE
21 DISTRICT'S COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL
22 FOR THE SCHOOL FISCAL YEAR ENDING IN 1994-95 IS 101% OF THE
23 DISTRICT'S COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL
24 FOR THE SCHOOL FISCAL YEAR ENDING IN 1993-94. FOR A DISTRICT
25 THAT IN 1993-94 HAD COMBINED STATE AND LOCAL REVENUE PER MEMBER-
26 SHIP PUPIL OF MORE THAN \$6,500.00, THE AMOUNT OF THE SUPPLEMENTAL
27 PAYMENT UNDER THIS SUBSECTION SHALL BE THE AMOUNT NECESSARY TO

1 ENSURE THAT THE DISTRICT'S COMBINED FOUNDATION ALLOWANCE AND
2 SUPPLEMENTAL PAYMENT EQUALS \$6,500.00 PER MEMBERSHIP PUPIL.

3 (4) FOR A DISTRICT THAT HAD COMBINED STATE AND LOCAL REVENUE
4 FOR THE SCHOOL FISCAL YEAR ENDING IN 1993-94 OF MORE THAN
5 \$4,500.00 AND NOT MORE THAN \$6,500.00, THE AMOUNT OF THE SUPPLE-
6 MENTAL PAYMENT TO THE DISTRICT UNDER THIS SUBSECTION FOR 1995-96
7 AND EACH SUCCEEDING FISCAL YEAR SHALL BE THE SAME AMOUNT AS THE
8 DISTRICT'S SUPPLEMENTAL PAYMENT UNDER THIS SUBSECTION FOR
9 1994-95. FOR A DISTRICT THAT HAD COMBINED STATE AND LOCAL REVE-
10 NUE FOR THE SCHOOL FISCAL YEAR ENDING IN 1993-94 OF MORE THAN
11 \$6,500.00, THE AMOUNT OF THE SUPPLEMENTAL PAYMENT TO THE DISTRICT
12 UNDER THIS SUBSECTION FOR 1995-96 AND EACH SUCCEEDING FISCAL YEAR
13 SHALL BE AN AMOUNT EQUAL TO THE AMOUNT OF THE DISTRICT'S SUPPLE-
14 MENTAL PAYMENT UNDER THIS SUBSECTION FOR 1994-95 MINUS THE DOLLAR
15 AMOUNT BY WHICH THE FOUNDATION ALLOWANCE EXCEEDS \$4,500.00 IN THE
16 CURRENT STATE FISCAL YEAR.

17 (5) IF A DISTRICT'S COMBINED STATE AND LOCAL REVENUE PER
18 MEMBERSHIP PUPIL FOR THE SCHOOL FISCAL YEAR ENDING IN 1993-94 WAS
19 MORE THAN \$6,500.00, IN 1994 THE DISTRICT MAY LEVY SCHOOL OPERAT-
20 ING TAXES AT A RATE OF THE NUMBER OF MILLS NECESSARY FOR THE
21 AMOUNT OF THE DISTRICT'S COMBINED STATE AND LOCAL REVENUE PER
22 MEMBERSHIP PUPIL FOR THE SCHOOL FISCAL YEAR ENDING IN 1994-95 TO
23 BE EQUAL TO 101% OF THE AMOUNT OF THE DISTRICT'S COMBINED STATE
24 AND LOCAL REVENUE PER MEMBERSHIP PUPIL FOR THE SCHOOL FISCAL YEAR
25 ENDING IN 1993-94. IN 1995 AND SUCCEEDING YEARS, SUCH A DISTRICT
26 MAY LEVY SCHOOL OPERATING TAXES AT A RATE THAT DOES NOT EXCEED
27 THE LESSER OF THE NUMBER OF MILLS OF THOSE TAXES LEVIED IN 1994

1 OR THE NUMBER OF MILLS OF THOSE TAXES NECESSARY FOR THE
2 DISTRICT'S COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL
3 FOR THE SCHOOL YEAR ENDING IN THE CURRENT STATE FISCAL YEAR TO
4 INCREASE FROM THE SCHOOL YEAR ENDING IN THE IMMEDIATELY PRECEDING
5 STATE FISCAL YEAR BY THE SAME PERCENTAGE AS THE INCREASE IN THE
6 GENERAL PRICE LEVEL AS DEFINED IN SECTION 34D OF THE GENERAL
7 PROPERTY TAX ACT, ACT NO. 206 OF THE PUBLIC ACTS OF 1893, BEING
8 SECTION 211.34D OF THE MICHIGAN COMPILED LAWS, FROM THE IMMEDI-
9 ATELY PRECEDING CALENDAR YEAR. HOWEVER, IF THE NUMBER OF MILLS A
10 DISTRICT MAY LEVY UNDER THIS SECTION IS 0.5 MILLS OR LESS AND THE
11 DISTRICT ELECTS NOT TO LEVY THOSE MILLS, THE DISTRICT INSTEAD
12 SHALL RECEIVE A SEPARATE SUPPLEMENTAL PAYMENT UNDER THIS SUBSEC-
13 TION IN AN AMOUNT EQUAL TO THE AMOUNT THE DISTRICT WOULD HAVE
14 RECEIVED HAD IT LEVIED THOSE MILLS, AS DETERMINED BY THE DEPART-
15 MENT OF TREASURY.

16 (6) THE INDICES TO BE COMPUTED UNDER THIS SECTION FOR EACH
17 STATE FISCAL YEAR SHALL BE A TOPIC OF EACH REVENUE ESTIMATING
18 CONFERENCE CONDUCTED UNDER SECTION 367B OF THE MANAGEMENT AND
19 BUDGET ACT, ACT NO. 431 OF THE PUBLIC ACTS OF 1984, BEING
20 SECTION 18.1367B OF THE MICHIGAN COMPILED LAWS. IF A REVENUE
21 ESTIMATING CONFERENCE FAILS TO REACH A CONSENSUS ON THE ESTIMATE
22 OF AN INDEX, THE STATE TREASURER SHALL COMPUTE AN ESTIMATED INDEX
23 AND CERTIFY IT TO THE DIRECTOR OF THE DEPARTMENT OF MANAGEMENT
24 AND BUDGET AND THE SUPERINTENDENT OF PUBLIC INSTRUCTION. THE
25 STATE TREASURER ALSO SHALL COMPUTE A FINAL INDEX FOR EACH FISCAL
26 YEAR, BASED UPON AVAILABLE DATA, AND CERTIFY THE FINAL INDEX TO
27 THE DIRECTOR OF THE DEPARTMENT OF MANAGEMENT AND BUDGET AND THE

1 SUPERINTENDENT OF PUBLIC INSTRUCTION NOT LATER THAN 120 DAYS
2 FOLLOWING THE END OF THAT FISCAL YEAR. IF THE FINAL CERTIFIED
3 INDEX FOR A FISCAL YEAR DIFFERS FROM THE ESTIMATED INDEX USED IN
4 THE ADOPTION OF THE STATE BUDGET FOR THE FISCAL YEAR AND USED
5 DURING THE FISCAL YEAR AS THE BASIS FOR MAKING PAYMENTS UNDER
6 THIS ACT, THE DEPARTMENT SHALL MAKE ANY NECESSARY PAYMENT ADJUST-
7 MENTS TO REFLECT THE FINAL CERTIFIED INDEX.

8 (7) IN MAKING CALCULATIONS UNDER THIS SECTION, ALL FRACTIONS
9 SHALL BE ROUNDED TO THE FOURTH DECIMAL PLACE AND THE DOLLAR
10 AMOUNT OF AN INCREASE IN THE FOUNDATION ALLOWANCE SHALL BE
11 ROUNDED TO THE NEAREST WHOLE DOLLAR.

12 (8) FOR 1994-95, PAYMENTS UNDER THIS SECTION SHALL INITIALLY
13 BE CALCULATED ACCORDING TO ESTIMATES BY THE DEPARTMENT OF TREA-
14 SURY, AND SHALL BE ADJUSTED AS NECESSARY BY THE DEPARTMENT OF
15 TREASURY ACCORDING TO THE DEPARTMENT OF TREASURY'S CALCULATIONS.
16 NOT LATER THAN JUNE 1, 1994, THE DEPARTMENT OF TREASURY SHALL
17 PROVIDE TO EACH DISTRICT A STATEMENT OF THE DEPARTMENT OF
18 TREASURY'S DETERMINATION OF THE DISTRICT'S COMBINED STATE AND
19 LOCAL REVENUE PER MEMBERSHIP PUPIL FOR 1993-94 AND OF THE DEPART-
20 MENT OF TREASURY'S MILLAGE RATE DETERMINATIONS FOR THE DISTRICT
21 UNDER THIS SECTION AND OF THE DATA USED BY THE DEPARTMENT OF
22 TREASURY TO MAKE THOSE DETERMINATIONS. NOT LATER THAN JULY 1,
23 1994, A DISTRICT MAY APPEAL THE DETERMINATIONS MADE BY THE
24 DEPARTMENT OF TREASURY FOR THE DISTRICT UNDER THIS SECTION. AN
25 APPEAL UNDER THIS SUBSECTION SHALL BE MADE TO THE SUPERINTENDENT
26 OF PUBLIC INSTRUCTION, WHO MAY ASSIGN THE APPEAL TO A HEARING
27 OFFICER. AN APPEAL SHALL ADDRESS ONLY THE INTERPRETATION AND

1 APPLICATION OF THIS SECTION. THE SUPERINTENDENT OF PUBLIC
2 INSTRUCTION SHALL OFFER ANY APPEALING DISTRICT AN APPEAL CONFER-
3 ENCE TO ATTEMPT TO RESOLVE THE ISSUES RAISED IN THE APPEAL WITH-
4 OUT A HEARING. IF THE APPEAL CONFERENCE DOES NOT RESOLVE THE
5 ISSUES, THE SUPERINTENDENT OF PUBLIC INSTRUCTION OR HEARING OFFI-
6 CER MAY CONDUCT A HEARING. BASED UPON THE APPEAL, THE INFORMA-
7 TION SUBMITTED BY THE DISTRICT, AND THE INFORMATION PROVIDED BY
8 THE DEPARTMENT OF TREASURY, THE HEARING OFFICER SHALL SUBMIT A
9 PROPOSED DECISION TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION
10 EITHER AFFIRMING THE DETERMINATIONS MADE BY THE DEPARTMENT OF
11 TREASURY OR DIRECTING THE DEPARTMENT OF TREASURY TO MAKE SPECIFIC
12 ADJUSTMENTS. NOT LATER THAN 30 DAYS AFTER RECEIVING THE PROPOSED
13 DECISION, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL ISSUE A
14 FINAL DECISION EITHER AFFIRMING THE DETERMINATIONS MADE BY THE
15 DEPARTMENT OF TREASURY OR DIRECTING THE DEPARTMENT OF TREASURY TO
16 MAKE SPECIFIC ADJUSTMENTS AND PROVIDE A COPY TO THE DISTRICT.
17 THE FINAL DETERMINATIONS MADE UNDER THIS SUBSECTION SHALL BE USED
18 FOR ALL APPLICABLE CALCULATIONS UNDER THIS ACT, EXCEPT THAT THE
19 FINAL DETERMINATION OF A DISTRICT'S COMBINED STATE AND LOCAL REV-
20 ENUE PER MEMBERSHIP PUPIL FOR 1993-94 SHALL SUBSEQUENTLY BE
21 ADJUSTED BASED ON THE FINAL AUDITED DATA FOR THE SCHOOL FISCAL
22 YEAR ENDING IN 1994.

23 (9) STATE ALLOCATIONS TO A DISTRICT UNDER THIS SECTION SHALL
24 BE ADJUSTED BY SUBTRACTING FROM THE ALLOCATIONS THE LESSER OF AN
25 AMOUNT EQUAL TO 50% OF THE MONEY RECEIVED UNDER SECTION 3(c)(1)
26 OF TITLE I OF CHAPTER 1124, 64 STAT. 1100, 20 U.S.C. 238, OR
27 \$160.00 PER MEMBERSHIP PUPIL. A DEDUCTION IN ANY YEAR SHALL NOT

1 EXCEED THE AMOUNT OF DEDUCTIBLE IMPACT AID FOR WHICH A DISTRICT
2 IS ELIGIBLE UNDER SECTION 3(c)(1) OF TITLE I OF CHAPTER 1124,
3 64 STAT. 1100, 20 U.S.C. 238. ANY DEDUCTIONS MADE UNDER THIS ACT
4 SHALL BE CONSISTENT WITH THE REQUIREMENTS OF SECTION 5 OF TITLE I
5 OF CHAPTER 1124, 64 STAT. 1100, 20 U.S.C. 240, AND ITS
6 REGULATIONS.

7 (10) A DISTRICT MAY USE ANY FUNDS ALLOCATED UNDER THIS SEC-
8 TION IN CONJUNCTION WITH ANY FEDERAL FUNDS FOR WHICH THE DISTRICT
9 OTHERWISE WOULD BE ELIGIBLE.

10 (11) AS USED IN THIS SECTION:

11 (A) "COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL"
12 MEANS THE AGGREGATE OF THE DISTRICT'S STATE SCHOOL AID RECEIVED
13 BY OR PAID ON BEHALF OF THE DISTRICT UNDER THIS SECTION, EXCEPT
14 FOR PAYMENTS RECEIVED BECAUSE OF AN ADJUSTMENT IN THE DISTRICT'S
15 STATE SCHOOL AID FOR A PRIOR FISCAL YEAR, AND THE DISTRICT'S
16 LOCAL SCHOOL OPERATING REVENUE, DIVIDED BY THE DISTRICT'S
17 MEMBERSHIP. HOWEVER, FOR THE PURPOSE OF CALCULATING A DISTRICT'S
18 COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL IN 1993-94
19 ONLY, COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL MEANS
20 THE AGGREGATE OF THE FOLLOWING, DIVIDED BY THE DISTRICT'S 1993-94
21 MEMBERSHIP FOR K-12 ONLY:

22 (i) TOTAL STATE SCHOOL AID RECEIVED BY OR PAID ON BEHALF OF
23 THE DISTRICT PURSUANT TO THIS ACT IN 1993-94, EXCEPT FOR PAYMENTS
24 RECEIVED BECAUSE OF AN ADJUSTMENT IN THE DISTRICT'S STATE SCHOOL
25 AID FOR A PRIOR FISCAL YEAR, INCLUDING THE AMOUNT OF A DISTRICT'S
26 AUGUST 1994 PAYMENT DELAYED UNDER SECTION 17B AND EXCLUDING ALL
27 OF THE FOLLOWING RECEIVED BY THE DISTRICT FOR 1993-94:

1 (A) MONEY RECEIVED BY THE DISTRICT UNDER SECTION 17B FOR
2 RESTORING THE DELAYED AUGUST 1993 PAYMENT.

3 (B) EARLY CHILDHOOD GRANTS UNDER SECTION 36.

4 (C) ALL SPECIAL EDUCATION PAYMENTS UNDER ARTICLE 5.

5 (D) SPECIAL EDUCATION TRANSPORTATION UNDER FORMER SECTION
6 71, AS CALCULATED UNDER FORMER SECTION 72.

7 (E) FEDERAL IMPACT AID ADJUSTMENTS UNDER FORMER SECTION
8 21(3).

9 (F) ECONOMIC DEVELOPMENT JOB TRAINING GRANT PAYMENTS UNDER
10 FORMER SECTION 107A.

11 (G) EDGE PROGRAM PAYMENTS UNDER FORMER SECTION 107B.

12 (H) ADULT LITERACY GRANT PAYMENTS UNDER FORMER
13 SECTION 107C.

14 (I) ADULT EDUCATION CATEGORICAL PAYMENTS UNDER FORMER
15 SECTION 107D.

16 (ii) LOCAL SCHOOL OPERATING REVENUE FOR 1993-94.

17 (B) "CURRENT STATE FISCAL YEAR" MEANS THE STATE FISCAL YEAR
18 FOR WHICH A PARTICULAR CALCULATION IS MADE.

19 (C) "IMMEDIATELY PRECEDING STATE FISCAL YEAR" MEANS THE
20 STATE FISCAL YEAR IMMEDIATELY PRECEDING THE CURRENT STATE FISCAL
21 YEAR.

22 (D) "LOCAL SCHOOL OPERATING REVENUE" MEANS SCHOOL OPERATING
23 TAXES. FOR DETERMINING A DISTRICT'S LOCAL SCHOOL OPERATING REVE-
24 NUE FOR 1993-94, LOCAL SCHOOL OPERATING REVENUE DOES NOT INCLUDE
25 A DISTRICT'S REVENUE FROM ANY OF THE FOLLOWING RECEIVED AND
26 RETAINED BY THE DISTRICT FOR SCHOOL OPERATING PURPOSES FOR THE
27 SCHOOL FISCAL YEAR ENDING IN 1994:

1 (i) INDUSTRIAL FACILITIES TAX LEVIED UNDER SECTION 11 OF ACT
2 NO. 198 OF THE PUBLIC ACTS OF 1974, BEING SECTION 207.561 OF THE
3 MICHIGAN COMPILED LAWS, AND RETAINED BY THE DISTRICT.

4 (ii) COMMERCIAL FACILITIES TAX LEVIED UNDER SECTION 12 OF
5 THE COMMERCIAL REDEVELOPMENT ACT, ACT NO. 255 OF THE PUBLIC ACTS
6 OF 1978, BEING SECTION 207.662 OF THE MICHIGAN COMPILED LAWS, AND
7 RETAINED BY A DISTRICT.

8 (iii) TECHNOLOGY PARK FACILITIES TAX LEVIED UNDER SECTION 12
9 OF THE TECHNOLOGY PARK DEVELOPMENT ACT, ACT NO. 385 OF THE PUBLIC
10 ACTS OF 1984, BEING SECTION 207.712 OF THE MICHIGAN COMPILED
11 LAWS, AND RETAINED BY THE DISTRICT.

12 (iv) ENTERPRISE ZONE FACILITIES TAX LEVIED UNDER SECTION 21
13 OF THE ENTERPRISE ZONE ACT, ACT NO. 224 OF THE PUBLIC ACTS OF
14 1985, BEING SECTION 125.2121 OF THE MICHIGAN COMPILED LAWS, AND
15 RETAINED BY THE DISTRICT.

16 (v) NEIGHBORHOOD ENTERPRISE ZONE TAX LEVIED UNDER SECTION 9
17 OF THE NEIGHBORHOOD ENTERPRISE ZONE ACT, ACT NO. 147 OF THE
18 PUBLIC ACTS OF 1992, BEING SECTION 207.779 OF THE MICHIGAN
19 COMPILED LAWS, AND RETAINED BY THE DISTRICT.

20 (vi) COMMERCIAL FOREST SPECIFIC TAX DESCRIBED IN SECTION 7A
21 OF ACT NO. 94 OF THE PUBLIC ACTS OF 1925, BEING SECTION 320.307A
22 OF THE MICHIGAN COMPILED LAWS, AND RETAINED BY A DISTRICT.

23 (vii) COMMERCIAL HOUSING FACILITIES TAX LEVIED PURSUANT TO
24 ACT NO. 438 OF THE PUBLIC ACTS OF 1976, BEING SECTIONS 207.601 TO
25 207.615 OF THE MICHIGAN COMPILED LAWS, AND RETAINED BY THE
26 DISTRICT.

1 (viii) THE SPECIFIC TAX RELATING TO TRAILER COACH PARKS
2 LEVIED UNDER SECTION 41 OF ACT NO. 243 OF THE PUBLIC ACTS OF
3 1959, BEING SECTION 125.1041 OF THE MICHIGAN COMPILED LAWS, AND
4 RETAINED BY THE DISTRICT.

5 (ix) REVENUE RECEIVED BY THE DISTRICT FROM FEES OR TAXES ON
6 PRIVATE FOREST PRESERVES PURSUANT TO SECTION 11 OF ACT NO. 86 OF
7 THE PUBLIC ACTS OF 1917, BEING SECTION 320.281 OF THE MICHIGAN
8 COMPILED LAWS.

9 (x) SPECIFIC TAX ON LOW GRADE IRON ORE LEVIED UNDER ACT
10 NO. 77 OF THE PUBLIC ACTS OF 1951, BEING SECTIONS 211.621 TO
11 211.626 OF THE MICHIGAN COMPILED LAWS, AND RETAINED BY THE
12 DISTRICT.

13 (xi) MONEY RECEIVED BY THE DISTRICT FROM FEDERAL IMPACT AID
14 UNDER SECTION 3(c)(1) OF TITLE I OF CHAPTER 1124, 64 STAT. 1100,
15 20 U.S.C. 238.

16 (xii) REVENUE RECEIVED BY THE DISTRICT FROM STATE PAYMENTS
17 IN LIEU OF TAXES UNDER SECTION 1 OF ACT NO. 116 OF THE PUBLIC
18 ACTS OF 1917, BEING SECTION 211.581 OF THE MICHIGAN COMPILED
19 LAWS.

20 (xiii) REVENUE RECEIVED BY THE DISTRICT FROM FEDERAL PAY-
21 MENTS IN LIEU OF TAXES.

22 (xiv) REVENUE RECEIVED BY THE DISTRICT FROM PENALTIES AND
23 INTEREST ON DELINQUENT PROPERTY AND SPECIFIC TAXES.

24 (E) "LOCAL SCHOOL OPERATING REVENUE PER MEMBERSHIP PUPIL"
25 MEANS A DISTRICT'S LOCAL SCHOOL OPERATING REVENUE DIVIDED BY THE
26 DISTRICT'S MEMBERSHIP.

1 (F) "SCHOOL OPERATING PURPOSES" MEANS THE PURPOSES INCLUDED
2 IN THE OPERATION COSTS OF THE DISTRICT AS PRESCRIBED IN
3 SECTION 7.

4 (G) "SCHOOL OPERATING TAXES" MEANS LOCAL AD VALOREM PROPERTY
5 TAXES LEVIED AND RETAINED FOR SCHOOL OPERATING PURPOSES. FOR
6 DETERMINING A DISTRICT'S SCHOOL OPERATING TAXES FOR 1993-94,
7 SCHOOL OPERATING TAXES DOES NOT INCLUDE ANY OF THE FOLLOWING:

8 (i) THE NUMBER OF MILLS OF PROPERTY TAX LEVIED IN 1993 BY A
9 DISTRICT FOR PAYMENT OF PRINCIPAL OR INTEREST ON NOTES OR BONDS
10 ISSUED TO FUND AN OPERATING DEFICIT PURSUANT TO SECTION 1356 OF
11 THE SCHOOL CODE OF 1976, BEING SECTION 380.1356 OF THE MICHIGAN
12 COMPILED LAWS.

13 (ii) THE NUMBER OF MILLS OF PROPERTY TAXES LEVIED IN 1993 BY
14 A DISTRICT FOR OPERATING A COMMUNITY COLLEGE UNDER PART 25 OF THE
15 SCHOOL CODE OF 1976, BEING SECTIONS 380.1601 TO 380.1607 OF THE
16 MICHIGAN COMPILED LAWS, AS REPORTED BY THE DISTRICT TO THE
17 DEPARTMENT FOR THE PURPOSE OF COMPILING THE ACTIVITY CLASSIFICA-
18 TION STRUCTURE DATA UNDER SECTION 204 OF ACT NO. 163 OF THE
19 PUBLIC ACTS OF 1993.

20 (iii) THE NUMBER OF MILLS OF PROPERTY TAXES LEVIED IN 1993
21 BY A DISTRICT THAT IS A SCHOOL DISTRICT OF THE FIRST CLASS THAT
22 ARE ATTRIBUTABLE TO PAYMENTS BY THE DISTRICT TO A PUBLIC LIBRARY
23 COMMISSION PURSUANT TO SECTION 11(D) OF THE PROPERTY TAX LIMITA-
24 TION ACT, ACT NO. 62 OF THE PUBLIC ACTS OF 1933, BEING
25 SECTION 211.211 OF THE MICHIGAN COMPILED LAWS.

26 (iv) THE NUMBER OF MILLS OF PROPERTY TAXES LEVIED IN 1993 BY
27 A DISTRICT FOR THE OPERATION OF A LIBRARY ESTABLISHED PURSUANT TO

1 ACT NO. 261 OF THE PUBLIC ACTS OF 1913, BEING SECTIONS 397.261 TO
2 397.262 OF THE MICHIGAN COMPILED LAWS, OR LEVIED BY A DISTRICT
3 FOR OPERATION OF A LIBRARY UNDER SECTION 1451 OF THE SCHOOL CODE
4 OF 1976, BEING SECTION 380.1451 OF THE MICHIGAN COMPILED LAWS.

5 (v) THE NUMBER OF MILLS OF PROPERTY TAXES LEVIED IN 1993 BY
6 A DISTRICT UNDER SECTION 1212 OF THE SCHOOL CODE OF 1976, BEING
7 SECTION 380.1212 OF THE MICHIGAN COMPILED LAWS.

8 SEC. 20A. (1) FOR PUPILS IN MEMBERSHIP IN AN INTERMEDIATE
9 DISTRICT, FROM THE APPROPRIATION IN SECTION 11 THERE IS ALLOCATED
10 FOR 1994-95 TO AN INTERMEDIATE DISTRICT AN AMOUNT PER MEMBERSHIP
11 PUPIL IN THE INTERMEDIATE DISTRICT EQUAL TO THE INTERMEDIATE DIS-
12 TRICT WEIGHTED AVERAGE ALLOCATION.

13 (2) AN INTERMEDIATE DISTRICT MAY USE ANY FUNDS ALLOCATED
14 UNDER THIS SECTION IN CONJUNCTION WITH ANY FEDERAL FUNDS FOR
15 WHICH THE INTERMEDIATE DISTRICT WOULD OTHERWISE BE ELIGIBLE.

16 SEC. 20B. (1) FOR PUPILS IN MEMBERSHIP IN A CHARTER PUBLIC
17 SCHOOL, FROM THE APPROPRIATION IN SECTION 11 THERE IS ALLOCATED
18 FOR 1994-95 TO A CHARTER PUBLIC SCHOOL AN AMOUNT PER MEMBERSHIP
19 PUPIL IN THE CHARTER PUBLIC SCHOOL EQUAL TO THE TOTAL ALLOCATION
20 PER MEMBERSHIP PUPIL UNDER SECTION 20 FOR THE DISTRICT IN WHICH
21 THE CHARTER PUBLIC SCHOOL IS LOCATED OR \$5,500.00, WHICHEVER IS
22 LESS. FOR 1995-96 AND EACH SUCCEEDING FISCAL YEAR, THE \$5,500.00
23 AMOUNT PRESCRIBED IN THIS SECTION SHALL BE INCREASED BY AN AMOUNT
24 EQUAL TO THE DOLLAR AMOUNT OF THE INCREASE IN THE FOUNDATION
25 ALLOWANCE UNDER SECTION 20 FROM THE IMMEDIATELY PRECEDING FISCAL
26 YEAR, AS DETERMINED BY THE DEPARTMENT OF TREASURY.

1 (2) A CHARTER PUBLIC SCHOOL MAY USE ANY FUNDS ALLOCATED
2 UNDER THIS SECTION IN CONJUNCTION WITH ANY FEDERAL FUNDS FOR
3 WHICH THE CHARTER PUBLIC SCHOOL WOULD OTHERWISE BE ELIGIBLE.

4 Sec. 21b. (1) Subject to subsection (2), a district shall
5 use funds allocated under this act to support the attendance of a
6 district pupil at a public or private degree-granting postsecond-
7 ary institution that is located in this state or that is a party
8 to a reciprocal agreement approved by the state board with a
9 public or private degree-granting postsecondary institution
10 located in this state, if all of the following conditions are
11 met:

12 (a) The pupil has earned sufficient credits so that he or
13 she is AT LEAST in grade ~~+2~~ 11 and ~~needs 5 or fewer credits to~~
14 ~~achieve the total required for high school graduation~~ HAS QUALI-
15 FIED FOR A STATE ENDORSEMENT IN ALL OF THE SUBJECT AREAS SPECI-
16 FIED IN SECTION 104A, but he or she has not yet completed ~~those~~
17 ALL LOCAL graduation requirements.

18 (b) The pupil is enrolled in the district for at least the
19 number of credits he or she needs to fulfill the graduation
20 requirements of the district and is also enrolled in the postsec-
21 ondary institution during the district's regular academic year.

22 (2) A district shall pay tuition and fees under this section
23 only for a course ~~that is not offered by the district and~~ that
24 is an academic course not ordinarily taken as an activity
25 course. ~~If the pupil is enrolled in a postsecondary institution~~
26 ~~for more than 1 course qualifying under this subsection for~~
27 ~~tuition and fee support, the district shall pay an amount under~~

~~1 subsection (4) only for the qualifying course with the lowest~~
~~2 amount of tuition and fees.~~

3 (3) Not later than ~~August~~ JUNE 15 of each year, a district
4 shall provide to each pupil who will be in grade ~~+2~~ 11 in the
5 upcoming school year a letter describing the conditions under
6 which a pupil is eligible for tuition and fee support under the
7 criteria specified in this section. Upon request by an eligible
8 pupil or his or her parent or guardian, the district shall pro-
9 vide to the eligible pupil a letter signed by the pupil's princi-
10 pal indicating the pupil's eligibility.

11 (4) If the pupil provides the postsecondary institution with
12 written proof of eligibility for tuition and fee support from the
13 district, a postsecondary institution enrolling a pupil described
14 in this section shall transmit to the district a bill detailing
15 the tuition and fees for the dual-enrollment course of the
16 dually-enrolled pupil. ~~A district shall pay the postsecondary~~
17 ~~institution \$50.00 per credit hour to be applied to the pupil's~~
18 ~~tuition and fees. However, the total amount of tuition and fee~~
19 ~~support to be paid by a district for a pupil for a postsecondary~~
20 ~~course shall not exceed either of the following: (a) the propor-~~
21 ~~tion of the total amount of state school aid the district~~
22 ~~received per pupil in the immediately preceding fiscal year that~~
23 ~~is equal to the ratio of the length of the postsecondary course~~
24 ~~for which tuition and fee support is paid to the length of the~~
25 ~~district's school year, in weeks, or (b) the total amount of the~~
26 ~~tuition and fees for the course.~~ THE DISTRICT SHALL CAUSE TO BE
27 PAID TO THE POSTSECONDARY INSTITUTION ON BEHALF OF THE PUPIL AN

1 AMOUNT NOT TO EXCEED THE LESSER OF THE ACTUAL CHARGE FOR TUITION
2 AND FEES OR THE UNUSED BALANCE IN THE PUPIL'S STUDENT EDUCATION
3 ACCOUNT, ADJUSTED FOR THE PROPORTION OF THE SCHOOL YEAR THAT THE
4 PUPIL HAS ATTENDED THE DISTRICT AND THE PROPORTION OF REMAINING
5 COURSE WORK BEING UNDERTAKEN BY THE PUPIL IN THE DISTRICT DURING
6 THE SEMESTER OR OTHER ACADEMIC PERIOD IN WHICH HE OR SHE IS TO BE
7 DUALY ENROLLED. IN ADDITION, IF THE PUPIL'S STUDENT EDUCATION
8 ACCOUNT HAS AN INSUFFICIENT BALANCE TO COVER THE TUITION AND FEES
9 FOR THE PUPIL'S ENROLLMENT UNDER THIS SECTION IN A POSTSECONDARY
10 INSTITUTION FOR 1 OR MORE COURSES QUALIFYING UNDER THIS SUBSEC-
11 TION FOR TUITION AND FEE SUPPORT, THE DISTRICT SHALL PAY TO THE
12 POSTSECONDARY INSTITUTION AN AMOUNT EQUAL TO THE DIFFERENCE
13 BETWEEN THE BALANCE IN THE STUDENT EDUCATION ACCOUNT AND THE
14 AMOUNT FOR THE QUALIFYING COURSE WITH THE LOWEST AMOUNT OF
15 TUITION AND FEES, UP TO A MAXIMUM OF \$50.00. The pupil is respon-
16 sible for payment of the remainder of the tuition and fees asso-
17 ciated with his or her dual enrollment.

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

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

25 (7) Each intermediate district shall collect from its con-
26 stituent districts and provide to the department at the same time
27 as it submits ~~form B data~~ THE ANNUAL COMPREHENSIVE FINANCIAL

1 REPORT REQUIRED UNDER SECTION 18(3) a report on the dollars
 2 expended for dually-enrolled pupils, the number of pupils eligi-
 3 ble for dual enrollment, and the number of dually-enrolled pupils
 4 during the immediately preceding school year in each of its con-
 5 stituent districts. Not later than March 1 of each year, the
 6 department shall prepare and submit to the house and senate
 7 fiscal agencies and the department of management and budget a
 8 summary annual report based on the information received under
 9 this subsection.

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

14 Sec. 24. (1) Subject to ~~subsections~~ SUBSECTION (3), ~~and~~
 15 ~~(4)~~, a pupil under court jurisdiction who is placed in a private
 16 home or in a private or public institution located outside the
 17 district in which the pupil's parents or legal guardians reside,
 18 or an intermediate school district operating a program in a home
 19 operated by the county board of commissioners or the juvenile
 20 division of the probate court under section 628 of the school
 21 code of 1976, being section 380.628 of the Michigan Compiled
 22 Laws, may be counted as a resident of the district OR INTERMEDI-
 23 ATE DISTRICT of attendance if other than the district ~~of~~ IN
 24 WHICH the pupil's parents or legal guardian RESIDE. The pupil
 25 shall be counted in membership by the district OR INTERMEDIATE
 26 DISTRICT of attendance. ~~as 1 1/2 memberships.~~ The total
 27 full-time equated number of these pupils shall be computed by

1 adding the membership days attended by the pupils before April 1
 2 of the current school year and dividing the total by the number
 3 of days in the school year of the district OR INTERMEDIATE
 4 DISTRICT before April 1 of the current school year. ~~Except as~~
 5 ~~provided in subsection (3), the~~ THE number thus obtained shall
 6 be certified by the district to the department, which shall
 7 adjust the total membership of the district OR INTERMEDIATE
 8 DISTRICT accordingly in determining the school aid to be paid
 9 during the fiscal year.

10 (2) Subject to ~~subsections~~ SUBSECTION (3), ~~and (4),~~ a
 11 pupil under court jurisdiction who is placed in a juvenile deten-
 12 tion facility or child caring institution licensed by the state
 13 department of social services and approved by the department to
 14 provide an on-grounds education program may be counted in member-
 15 ship in the district OR INTERMEDIATE DISTRICT providing the
 16 instruction to the pupil. ~~The pupil shall be counted as 1 1/2~~
 17 ~~memberships.~~ The total full-time equated number of pupils
 18 counted under this subsection shall be computed by adding the
 19 membership days attended by the pupils before April 1 of the cur-
 20 rent school year and dividing the total by the number of days in
 21 the school year of the district OR INTERMEDIATE DISTRICT before
 22 April 1 of the current school year. ~~Except as provided in sub-~~
 23 ~~section (3), the~~ THE number thus obtained shall be certified by
 24 the district providing the instruction to the department, which
 25 shall adjust the total membership of the district accordingly in
 26 determining the school aid to be paid during the fiscal year.

1 ~~(3) In districts not receiving aid under section 21(1), and~~
2 ~~for pupils counted under section 6(4)(h), the membership for~~
3 ~~these pupils shall be counted in membership in the intermediate~~
4 ~~district. For each pupil, the intermediate district in 1993-94~~
5 ~~and each succeeding fiscal year shall receive under section 21(1)~~
6 ~~a membership aid gross allowance computed by averaging the actual~~
7 ~~membership aid gross allowances of the intermediate district's~~
8 ~~constituent districts weighted as to membership. The resulting~~
9 ~~membership aid shall be paid by the intermediate district to the~~
10 ~~district.~~

11 (3) ~~(4)~~ Special education pupils funded under section 53
12 shall not be counted under this section.

13 Sec. 36. (1) From the appropriation in section 11, there is
14 allocated an amount not to exceed ~~\$27,564,700.00~~ \$60,000,000.00
15 for ~~1993-94~~ SCHOOL READINESS GRANTS IN 1994-95 to enable eligi-
16 ble districts, as determined under section 37, to develop or
17 expand, in conjunction with whatever federal funds may be avail-
18 able, including, but not limited to, federal funds under title I
19 of the elementary and secondary education act of 1965, Public Law
20 89-10, 102 Stat. 140, chapter 1 of the Hawkins-Stafford elemen-
21 tary and secondary school improvement amendments of 1988, Public
22 Law 100-297, and the head start act, subchapter B of chapter 8 of
23 subtitle A of title VI of Public Law 97-35, 42 U.S.C. 9831 to
24 9852, comprehensive compensatory ~~education~~ programs designed to
25 improve the readiness and subsequent achievement of educationally
26 disadvantaged children as defined by the department who will be
27 at least 4, but less than 5 years of age, as of December 1 of the

1 school year in which the programs are offered, and who show
 2 evidence of 2 or more "at-risk" factors as defined in the state
 3 board report entitled "children at risk" that was adopted by the
 4 state board on April 5, 1988. A comprehensive compensatory
 5 ~~education~~ program funded under this section ~~may~~ SHALL include
 6 AN AGE-APPROPRIATE EDUCATIONAL CURRICULUM, NUTRITIONAL SERVICES,
 7 health screening for participating children, A PLAN FOR PARENT OR
 8 LEGAL GUARDIAN INVOLVEMENT, and ~~the district may use funds~~
 9 ~~received under this section to fund that health screening~~
 10 PROVISION OF REFERRAL SERVICES FOR FAMILIES ELIGIBLE FOR COMMU-
 11 NITY SOCIAL SERVICES.

12 (2) A DISTRICT RECEIVING A GRANT UNDER THIS SECTION MAY CON-
 13 TRACT FOR THE PROVISION OF THE COMPREHENSIVE COMPENSATORY PROGRAM
 14 AND RETAIN FOR ADMINISTRATIVE SERVICES AN AMOUNT EQUAL TO NOT
 15 MORE THAN 5% OF THE GRANT AMOUNT.

16 Sec. 37. A district is eligible for an allocation under
 17 section 36 if, in a manner and on forms prescribed by the depart-
 18 ment, all of the following apply:

19 (a) The district complies with the state board approved
 20 standards of quality and curriculum guidelines for early child-
 21 hood programs for 4-year-olds.

22 ~~(b) The district provides for the active and continuous~~
 23 ~~participation of parents or guardians of the children in the pro-~~
 24 ~~gram, and describes the district's participation plan as part of~~
 25 ~~the application.~~

26 (B) ~~(c)~~ The district only employs for this program either
 27 of the following:

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

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

14 (C) ~~(d)~~ The district identifies in its application all of
15 the following:

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

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

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

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

3 (D) ~~(c)~~ The district has submitted for approval a program
4 budget that includes only those costs not reimbursed or reimbur-
5 sable by federal funding, that are clearly and directly attribut-
6 able to the early childhood readiness program, and that would not
7 be incurred if the program were not being offered. If children
8 other than those determined to be educationally disadvantaged
9 participate in the program, state reimbursement under section 36
10 shall be limited to the portion of approved costs attributable to
11 educationally disadvantaged children.

12 (E) ~~(f)~~ The district has established a SCHOOL READINESS
13 ADVISORY committee ~~on early childhood education curriculum~~ con-
14 sisting of, at a minimum, classroom teachers for prekindergarten,
15 kindergarten, and first grade; ~~—, a parent of a prekindergarten~~
16 ~~child,~~ PARENTS OR GUARDIANS OF PROGRAM PARTICIPANTS;
17 REPRESENTATIVES FROM APPROPRIATE COMMUNITY AGENCIES AND
18 ORGANIZATIONS; the district curriculum director or equivalent
19 administrator; ~~—~~ and, if feasible, a school psychologist,
20 school social worker, or school counselor. IN ADDITION, AT LEAST
21 50% OF THE COMMITTEE MEMBERS SHALL BE PARENTS OR GUARDIANS OF
22 PROGRAM PARTICIPANTS. The committee shall do ~~both~~ ALL of the
23 following:

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

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

1 (iii) REVIEW THE HEALTH SCREENING PROGRAM FOR ALL
2 PARTICIPANTS.

3 (iv) REVIEW THE NUTRITIONAL SERVICES PROVIDED TO PROGRAM
4 PARTICIPANTS.

5 (v) REVIEW THE MECHANISMS IN PLACE FOR THE REFERRAL OF FAMI-
6 LIES TO COMMUNITY SOCIAL SERVICE AGENCIES, AS APPROPRIATE.

7 (vi) REVIEW THE COLLABORATION WITH AND THE INVOLVEMENT OF
8 APPROPRIATE COMMUNITY, VOLUNTEER, AND SOCIAL SERVICE AGENCIES AND
9 ORGANIZATIONS IN ADDRESSING ALL ASPECTS OF EDUCATIONAL
10 DISADVANTAGE.

11 (vii) REVIEW, EVALUATE, AND MAKE RECOMMENDATIONS FOR CHANGES
12 TO THE SCHOOL READINESS PROGRAM.

13 (F) ~~(g)~~ The district has submitted for departmental
14 approval a plan to conduct and report annual ~~early childhood~~
15 SCHOOL READINESS program evaluations using criteria approved by
16 the department. At a minimum, the evaluations shall include
17 assessment of the gains in educational readiness and progress
18 through first grade of children participating in the ~~early~~
19 ~~childhood~~ SCHOOL READINESS program.

20 ~~(h) The district has established a community advisory com-~~
21 ~~mittee that shall be involved in the planning and evaluation of~~
22 ~~the program and has provided for collaboration with and the~~
23 ~~involvement of appropriate community, volunteer, social service~~
24 ~~agencies and organizations, and parents in addressing all aspects~~
25 ~~of educational disadvantage.~~

26 (G) MORE THAN 50% OF THE CHILDREN PARTICIPATING IN THE
27 PROGRAM MEET THE INCOME ELIGIBILITY CRITERIA FOR FREE LUNCH, AS

1 DETERMINED UNDER THE NATIONAL SCHOOL LUNCH ACT, CHAPTER 281, 60
2 STAT. 230, 42 U.S.C. 1751 TO 1753, 1755 TO 1761, 1762a, 1765 TO
3 1766a AND 1769 TO 1769e.

4 (H) ~~(i)~~ At least 18 of the district's resident children of
5 the age group specified in section 36, as described in section 36
6 and calculated under section 38, are construed to be in need of
7 special readiness assistance. A district ~~that receives an allo-~~
8 ~~cation under section 21(i) shall~~ IS also ~~be~~ eligible for an
9 allocation under section 36 if at least 50 children, as described
10 in section 36 and calculated under section 38, are construed to
11 be in need of special readiness assistance, regardless of the
12 percentage they comprise of the district's resident children of
13 the age group specified in section 36. In addition, a consortium
14 of 2 or more districts shall be eligible for an allocation under
15 section 36 if each of those districts has less than 18 but more
16 than 5 of its resident children of the age group specified in
17 section 36, as described in section 36 and calculated under
18 section 38, and in combination the districts' number of children
19 who are construed to be in need of special readiness assistance
20 equals or exceeds 18. A district or intermediate district may
21 administer a consortium described in this subdivision.

22 Sec. 38. The MAXIMUM number of prekindergarten children
23 construed to be in need of special readiness assistance under
24 section 36 shall be calculated for each district in the following
25 manner: one half of the percentage of the district's ELEMENTARY
26 GRADES' pupils who are eligible for free lunch, as determined by
27 the district's October count in the immediately preceding school

1 year under the national school lunch act, chapter 281,
 2 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765
 3 to 1766a, and 1769 to 1769e shall be multiplied by the average
 4 kindergarten ~~enrollments~~ ENROLLMENT of the district on the
 5 pupil membership count ~~day~~ DAYS of the ~~2~~ immediately preced-
 6 ing ~~years~~ FISCAL YEAR.

7 Sec. 39. (1) The tentative allocation in ~~1993-94~~ 1994-95
 8 to each eligible district under section 36 shall be determined by
 9 multiplying the number of children determined in section 38 by
 10 ~~\$2,500.00~~ \$3,000.00 and shall be distributed among districts in
 11 decreasing order of concentration of eligible children as deter-
 12 mined by section 38 until the money allocated in section 36 is
 13 distributed. Not later than October 1, each eligible district
 14 shall submit to the department a resolution adopted by its board
 15 certifying the number of 4-year-old children who ~~will receive~~
 16 ~~comprehensive compensatory education~~ SHOW EVIDENCE OF "AT-RISK"
 17 FACTORS AS DESCRIBED IN SECTION 36, WHO MEET THE INCOME ELIGIBIL-
 18 ITY CRITERIA FOR FREE LUNCH AS DESCRIBED IN SECTION 37(G), AND
 19 WHO WILL PARTICIPATE IN A SCHOOL READINESS PROGRAM funded under
 20 this section. Any tentative allocation subsequently shall be
 21 adjusted BY THE DEPARTMENT based in part on the number of chil-
 22 dren certified in the board resolution. Any funds unallocated
 23 shall be redistributed to eligible districts pursuant to this
 24 section.

25 (2) A district ~~that receives an allocation under~~
 26 ~~section 21(1) and~~ that has not less than 50 eligible children

1 shall receive priority over other eligible districts other than
2 those districts funded under subsection (3).

3 (3) A district that received funds under this section in at
4 least 1 of the 2 immediately preceding fiscal years shall receive
5 priority in funding over other eligible districts. ~~and shall~~
6 ~~receive funding for not less than the number of children for whom~~
7 ~~the district received funding in the immediately preceding fiscal~~
8 ~~year.~~ However, funding beyond 3 state fiscal years is contingent
9 upon the availability of funds and documented evidence satisfac-
10 tory to the department of compliance with all operational,
11 fiscal, administrative, and other program requirements.

12 (4) For any district with 315 or more eligible pupils, the
13 number of eligible pupils shall be 55% of the number calculated
14 under section 38. However, none of these districts may have less
15 than 315 pupils for purposes of calculating the tentative alloca-
16 tion under section 36.

17 Sec. 51. (1) From the appropriation in section 11, there is
18 allocated ~~\$185,355,000.00~~ \$243,355,000.00 for ~~1993-94~~ 1994-95
19 to consist of an amount not to exceed ~~\$121,355,000.00~~
20 \$179,355,000.00 from state sources and \$64,000,000.00 in federal
21 funding under sections 611 to 620 of part B of the individuals
22 with disabilities education act, title VI of Public Law 91-230,
23 20 U.S.C. 1411 to 1420, plus any carryover federal funds from
24 previous year appropriations, for the purpose of reimbursing dis-
25 tricts and intermediate districts for special education programs,
26 services, and special education personnel as prescribed in
27 article 3 of the school code of 1976, being sections 380.1701 to

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

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

22 (3) From the amount allocated in subsection (1), there is
23 allocated an amount not to exceed \$3,100,000.00 for ~~1993-94~~
24 1994-95 to reimburse 100% of the net increase in necessary costs
25 incurred by a district or intermediate district in implementing
26 the revisions in the administrative rules for special education
27 that became effective on July 1, 1987. As used in this

1 subsection, "net increase in necessary costs" means the necessary
2 additional costs incurred solely because of new or revised
3 requirements in the administrative rules minus cost savings per-
4 mitted in implementing the revised rules. Net increase in neces-
5 sary costs shall be determined in a manner specified by the
6 department.

7 (4) For purposes of this article:

8 (a) ~~"Added~~ FOR A PROGRAM OPERATED BY A DISTRICT, "ADDED
9 costs" shall be computed by deducting, from the total approved
10 costs of special education programs and services, an amount equal
11 to the RESIDENCE district's ~~gross membership allowance~~
12 ALLOCATION per MEMBERSHIP pupil ~~or~~ UNDER SECTION 20 OR 20B PLUS
13 the RESIDENCE district's local revenue per membership pupil,
14 ~~whichever is greater,~~ for each full-time equated special educa-
15 tion pupil counted in membership in the district ~~or intermediate~~
16 ~~district~~ whose primary educational or training program, as
17 determined by the department, is a special education program and
18 service as defined in section 6(7) of the school code of 1976,
19 being section 380.6 of the Michigan Compiled Laws. FOR A PROGRAM
20 OPERATED BY AN INTERMEDIATE DISTRICT, "ADDED COSTS" SHALL BE COM-
21 PUTED BY DEDUCTING, FROM TOTAL APPROVED COSTS OF SPECIAL EDUCA-
22 TION PROGRAMS AND SERVICES, AN AMOUNT EQUAL TO THE INTERMEDIATE
23 DISTRICT WEIGHTED AVERAGE ALLOCATION FOR EACH FULL-TIME EQUATED
24 SPECIAL EDUCATION PUPIL COUNTED IN MEMBERSHIP IN THE INTERMEDIATE
25 DISTRICT WHOSE PRIMARY EDUCATIONAL OR TRAINING PROGRAM, AS DETER-
26 MINED BY THE DEPARTMENT, IS A SPECIAL EDUCATION PROGRAM AND
27 SERVICE AS DEFINED IN SECTION 6(7) OF THE SCHOOL CODE OF 1976.

1 (b) "Total approved costs of special education programs and
2 services" shall be determined in a manner specified by the
3 department and may include indirect costs, but shall not exceed
4 115% of approved direct costs for section 52 and section 53
5 programs. ~~They shall~~ THE TOTAL APPROVED COSTS INCLUDE SALARY
6 AND OTHER COMPENSATION, INCLUDING PAYMENTS FOR SOCIAL SECURITY
7 AND MEDICARE AND PUBLIC SCHOOL EMPLOYEE RETIREMENT SYSTEM CONTRI-
8 BUTIONS, FOR ALL APPROVED SPECIAL EDUCATION PERSONNEL FOR THE
9 PROGRAM. THE TOTAL APPROVED COSTS DO not include salaries or
10 other compensation paid to administrative personnel who are not
11 special education personnel as defined in section 6(6) of the
12 school code of 1976. Costs reimbursed by federal funds, other
13 than those federal funds included in the allocation made under
14 this article, ~~shall~~ ARE not ~~be~~ included. Special education
15 approved personnel not utilized full time in the evaluation of
16 students or in the delivery of special education programs, ancil-
17 lary, and other related services shall be reimbursed under this
18 section only for that portion of time actually spent providing
19 these programs and services, with the exception of special educa-
20 tion programs and services provided to youth placed in child
21 caring institutions or juvenile detention programs approved by
22 the department to provide an on-grounds education program.
23 ~~Only~~ FOR TEACHER AIDES, salaries and other compensation paid TO
24 A teacher ~~aides~~ AIDE ARE INCLUDED ONLY IF THE TEACHER AIDE IS
25 required in rules promulgated by the department or ~~as~~ IS other-
26 wise approved by the department. ~~shall be included.~~

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

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

13 (5) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLO-
 14 CATED FOR 1994-95 AN AMOUNT NOT TO EXCEED \$77,000,000.00 TO
 15 INTERMEDIATE DISTRICTS FOR PUPILS COUNTED IN MEMBERSHIP UNDER
 16 THIS SUBSECTION. A pupil who is enrolled in a full-time special
 17 education program conducted or administered by an intermediate
 18 district or a pupil who is enrolled in the Michigan school for
 19 the blind or the Michigan school for the deaf shall not be
 20 included in the membership count of a district, but shall be
 21 counted in membership in the intermediate district of residence.
 22 A district operating a center program for pupils from several
 23 districts, pursuant to an approved intermediate district plan,
 24 may elect to have the pupils counted in membership in the inter-
 25 mediate district. ~~For each pupil, the intermediate district~~
 26 ~~shall receive under section 21(1) a membership aid gross~~
 27 ~~allowance computed by averaging the actual membership aid gross~~

1 ~~allowances of the intermediate district's constituent districts~~
2 ~~weighted as to membership. However, membership aid shall not be~~
3 ~~paid to intermediate districts for pupils who are residents of~~
4 ~~districts not receiving a membership allocation under section~~
5 ~~21(1) and who are enrolled in programs funded under section 52,~~
6 ~~unless they are enrolled in a center program or are eligible as~~
7 ~~court placed pupils under section 24(3).~~ A DISTRICT OPERATING A
8 CENTER PROGRAM FOR PUPILS FROM SEVERAL DISTRICTS PURSUANT TO AN
9 APPROVED INTERMEDIATE DISTRICT PLAN THAT HAD THE PUPILS COUNTED
10 IN MEMBERSHIP IN THE INTERMEDIATE DISTRICT IN 1993-94 SHALL HAVE
11 THE PUPILS COUNTED IN MEMBERSHIP IN THE INTERMEDIATE DISTRICT IN
12 1994-95.

13 ~~(c) The contribution of the resident district, if a pupil's~~
14 ~~special education program is operated by another district or by~~
15 ~~an intermediate district, shall be determined as follows.~~

16 ~~(i) If the district receives an allocation under section~~
17 ~~21(1), and the pupil is educated in a district not receiving an~~
18 ~~allocation under section 21(1), by subtracting categorical aid~~
19 ~~and the intermediate district reimbursement for each pupil from~~
20 ~~the total cost of the education program.~~

21 ~~(ii) If the district receives an allocation under section~~
22 ~~21(1) and the pupil is educated in a district receiving an allo-~~
23 ~~cation under section 21(1), by subtracting the gross state aid~~
24 ~~membership allowance, categorical aid, and the intermediate dis-~~
25 ~~trict reimbursement for each pupil from the total cost of the~~
26 ~~education program.~~

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

5 (6) ~~(5)~~ Special education personnel transferred from 1
 6 district to another to implement the school code of 1976 shall be
 7 entitled to the rights, benefits, and tenure to which the person
 8 would otherwise be entitled had that person been employed by the
 9 receiving district originally.

10 (7) ~~(6)~~ If a district or intermediate district uses money
 11 received under this section for a purpose other than the purpose
 12 or purposes for which the money is allocated, the department may
 13 require the district or intermediate district to refund the
 14 amount of money received. Money that is refunded shall be depos-
 15 ited in the state treasury to the credit of the STATE school aid
 16 fund.

17 Sec. 52. (1) ~~For 1993-94, reimbursement~~ REIMBURSEMENT for
 18 the necessary costs of special education programs and services
 19 shall be a portion determined by the amount ~~appropriated~~
 20 ALLOCATED UNDER SECTION 51(1), but not to exceed 75% of the added
 21 costs of operating special education programs and services
 22 approved by the department and included in the intermediate dis-
 23 trict plan adopted pursuant to article 3 of the school code of
 24 1976, being sections 380.1701 to 380.1766 of the Michigan
 25 Compiled Laws, for special education pupils other than those pro-
 26 grams funded under section 53, and of the costs of programs and
 27 services for trainable mentally impaired persons, day training

1 programs, and services for severely mentally impaired persons,
2 the added costs of summer programs and services, and the added
3 costs of providing room and board for special education pupils,
4 as approved by the department. If the state financed proportion
5 of reimbursement of the necessary costs of a special education
6 activity or service required by article 3 of the school code of
7 1976, which is in addition to or different from the special edu-
8 cation activities or services required under sections 611 to 620
9 of part B of the individuals with disabilities education act,
10 title VI of Public Law 91-230, 20 U.S.C. 1411 to 1420, is less
11 than the state financed proportion of the necessary costs of that
12 activity or service in 1978-79, the portion of the amount appro-
13 priated shall be increased to reimburse that activity or service
14 accordingly.

15 (2) The added costs of transportation for special education
16 pupils shall not be funded under this section but shall be reim-
17 bursed under ~~article 7~~ SECTION 58.

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

24 (a) Pupils assigned to a district or intermediate district
25 through the community placement program of the courts or a state
26 agency, if the pupil was a resident of another intermediate

1 district at the time the pupil came under the jurisdiction of the
2 court or a state agency.

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

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

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

11 (e) Pupils who are residents of nursing homes whose educa-
12 tional programs are approved by the department.

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

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

17 (h) Pupils enrolled in a department-approved on-grounds edu-
18 cational program longer than 180 days, but not longer than 233
19 days, at a residential child care institution, ~~for which an~~
20 ~~intermediate district receives funding under section 86,~~ if the
21 child care institution offered in 1991-92 an on-grounds educa-
22 tional program longer than 180 days but not longer than 233
23 days.

24 Only those costs that are clearly and directly attributable
25 to educational programs for pupils described in this subsection,
26 and that would not have been incurred if the pupils were not

1 being educated in a district or intermediate district, are
2 reimbursable under this section.

3 (2) The costs of transportation shall be funded under this
4 section but shall not be reimbursed under ~~article 7~~ SECTION
5 58.

6 (3) Not more than \$24,000,000.00 for ~~+1993-94-~~ 1994-95 of
7 the allocation in section 51(1) shall be allocated under this
8 section.

9 Sec. 54. In addition to the aid received under section 52,
10 each intermediate district shall receive an amount per pupil for
11 each pupil in attendance at the Michigan school for the blind or
12 the Michigan school for the deaf. The amount shall be propor-
13 tionate to the total instructional cost at each school. Not more
14 than \$1,688,000.00 for ~~+1993-94-~~ 1994-95 of the allocation in
15 section 51(1) shall be allocated under this section.

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

17 (a) "Membership" means the total membership in ~~+1992-93-~~
18 1993-94 of the intermediate school and the districts constituent
19 to the intermediate district.

20 (b) "Millage levied" means the millage levied for special
21 education pursuant to part 30 of the school code of 1976, being
22 sections 380.1711 to 380.1743 of the Michigan Compiled Laws,
23 including a levy for debt service obligations.

24 (c) "State equalized valuation" means the total state equal-
25 ized valuation of the districts constituent to an intermediate
26 district, except that if a district has elected not to come under
27 part 30 of the school code of 1976, membership and state

1 equalized valuation of the district shall not be included in the
2 membership and state equalized valuation of the intermediate
3 district.

4 (2) From the appropriation in section 11, there is allocated
5 an amount not to exceed \$30,650,000.00 for ~~+1993-94~~ 1994-95 to
6 reimburse intermediate districts levying millages for special
7 education pursuant to part 30 of the school code of 1976. The
8 purpose, use, and expenditure of the reimbursement shall be
9 limited as if the funds were generated by these millages and gov-
10 erned by the intermediate district plan adopted pursuant to arti-
11 cle 3 of the school code of 1976, being sections 380.1701 to
12 380.1766 of the Michigan Compiled Laws. As a condition of
13 receiving funds under this section, an intermediate district dis-
14 tributing any portion of special education millage funds to its
15 constituent districts shall submit for departmental approval and
16 implement a distribution plan that utilizes at least a PER mem-
17 bership ~~aid gross allowance~~ PUPIL ALLOCATION, as ~~defined in~~
18 CALCULATED UNDER section ~~5+(4)(d)~~ 20, as a required local
19 contribution.

20 (3) Reimbursement for those millages levied in ~~+1992-93~~
21 1993-94 shall be made in ~~+1993-94~~ 1994-95 at an amount per
22 ~~+1992-93~~ 1993-94 membership pupil computed by subtracting from
23 \$79,800.00 the ~~+1992-93~~ 1993-94 state equalized valuation behind
24 each membership pupil, and multiplying the resulting difference
25 by the ~~+1992-93~~ 1993-94 millage levied.

26 SEC. 58. (1) FROM THE APPROPRIATION IN SECTION 11 THERE IS
27 ALLOCATED AN AMOUNT NOT TO EXCEED \$25,405,000.00 FOR 1994-95 TO

1 FUND DISTRICTS AND INTERMEDIATE DISTRICTS FOR PROVIDING
2 SPECIALIZED TRANSPORTATION SERVICES, AS DETERMINED BY THE DEPART-
3 MENT, FOR PUPILS IN SPECIAL EDUCATION PROGRAMS AND SERVICES AS
4 DEFINED IN SECTION 6(7) OF THE SCHOOL CODE OF 1976, BEING
5 SECTION 380.6 OF THE MICHIGAN COMPILED LAWS, FOR WHICH THE DIS-
6 TRICT OR INTERMEDIATE DISTRICT RECEIVES ADDED-COST REIMBURSEMENT
7 UNDER SECTION 52.

8 (2) TRANSPORTATION AID UNDER SUBSECTION (1) IS BASED UPON AN
9 ALLOWANCE FOR EACH PUPIL TRANSPORTED AND CALCULATED FOR EACH DIS-
10 TRICT AND INTERMEDIATE DISTRICT BY THE DEPARTMENT ON THE BASIS OF
11 ALL OF THE FOLLOWING FACTORS:

12 (A) AN OVERHEAD ALLOWANCE OF \$10.00 PER PUPIL BASED UPON THE
13 FOLLOWING:

14 (i) TRANSPORTATION STAFF PER 100 PUPILS TRANSPORTED.

15 (ii) BUS FLEET CAPACITY PER PUPIL TRANSPORTED.

16 (B) A REGIONAL ALLOWANCE OF BETWEEN \$15.00 AND \$37.00 PER
17 PUPIL, DEPENDING ON THE REGION, BASED UPON THE FOLLOWING:

18 (i) TRANSPORTATION STAFF SALARY.

19 (ii) REGIONAL COST VARIATION.

20 (C) AN AMORTIZATION COST PER PUPIL OF 100% OF COST, WITH A
21 MINIMUM OF \$20.00 PER PUPIL, FOR PUPIL TRANSPORTATION VEHICLES.

22 (D) AN INSURANCE COST PER PUPIL OF 100% OF COST FOR PUPIL
23 TRANSPORTATION VEHICLES.

24 (E) AUTHORIZED MILES TRAVELED PER PUPIL OF \$1.00 PER MILE,
25 WITH AN ADJUSTMENT FOR DISTRICTS OR INTERMEDIATE DISTRICTS WITH
26 LOW MILEAGE PER PUPIL SUCH THAT THE \$1.00 MAY BE INCREASED ON A
27 SLIDING SCALE UP TO \$1.20 PER MILE.

1 THE SPECIAL EDUCATION TRANSPORTATION ALLOCATION IS BASED
2 UPON CURRENT YEAR DATA REPORTED BY THE DISTRICTS AND INTERMEDIATE
3 DISTRICTS. THE TOTAL TRANSPORTATION ALLOWANCE FOR A DISTRICT OR
4 INTERMEDIATE DISTRICT IS CALCULATED BY USING THE VEHICLE AS THE
5 FUNDING UNIT AND USING FACTORS (A), (B), (C), (D), AND (E). THE
6 RATE OF AID FOR CONTRACTED TRANSPORTATION SERVICES OR TRANSPORTA-
7 TION SERVICES PROVIDED THROUGH THE USE OF PUBLIC TRANSIT SYSTEMS
8 IS COMPARABLE FOR DISTRICT-OWNED BUS FLEETS.

9 (3) DISTRICTS AND INTERMEDIATE DISTRICTS MAY APPLY TO THE
10 DEPARTMENT FOR EXCEPTIONS TO THE DISTRICT'S OR INTERMEDIATE
11 DISTRICT'S FORMULA TRANSPORTATION ALLOWANCE UNDER THIS SECTION
12 REGARDING THE COSTS OF TRANSPORTING PUPILS WHEN EXCEPTIONAL CON-
13 DITIONS OR CIRCUMSTANCES IMPOSE UNAVOIDABLY UNUSUAL EXPENSES FOR
14 TRANSPORTING PUPILS TO THEIR REGULARLY SCHEDULED CLASSES.

15 Sec. 74. From the amount ~~allocated~~ APPROPRIATED in
16 section ~~71~~ 11, ~~in 1993-94 and each succeeding fiscal year, a~~
17 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,500,000.00 FOR
18 1994-95 FOR PAYMENTS TO state supported ~~college or university~~
19 ~~or~~ COLLEGES OR UNIVERSITIES AND intermediate ~~school district~~
20 DISTRICTS providing school bus driver safety instruction or
21 driver skills road tests pursuant to section 51 of the pupil
22 transportation act, Act No. 187 of the Public Acts of 1990, being
23 section 257.1851 of the Michigan Compiled Laws. ~~shall be~~
24 ~~granted~~ THE PAYMENTS SHALL BE IN an amount determined by the
25 department not to exceed 75% of the actual cost of instruction
26 and driver compensation for each public or nonpublic school bus
27 driver attending a course of instruction. For the purpose of

1 computing compensation, the hourly rate allowed each school bus
 2 driver shall not exceed the hourly rate received for driving a
 3 school bus. Reimbursement compensating the driver during the
 4 course of instruction or driver skills road tests shall be made
 5 by the department to the college or university or intermediate
 6 school district providing the course of instruction.

7 Sec. 75. From the amount ~~allocated~~ APPROPRIATED in sec-
 8 tion ~~71~~ 11, there ~~shall be~~ IS allocated ~~in 1993-94 and each~~
 9 ~~succeeding fiscal year the amount necessary~~ AN AMOUNT NOT TO
 10 EXCEED \$125,000.00 FOR 1994-95 to pay the reasonable costs of
 11 nonspecial education auxiliary services transportation provided
 12 pursuant to section 1323 of the school code of 1976, being
 13 section 380.1323 of the Michigan Compiled Laws. ~~School~~
 14 ~~districts~~ DISTRICTS funded under this section shall not receive
 15 funding under any other section of this act for nonspecial educa-
 16 tion auxiliary services transportation.

17 Sec. 81. ~~(1) Subject to subsection (2), from~~ FROM the
 18 appropriation in section 11, there is allocated ~~to the interme-~~
 19 ~~diate districts the sum necessary, but~~ AN AMOUNT not to exceed
 20 ~~\$22,950,000.00~~ \$50,000,000.00 for ~~1993-94,~~ 1994-95 to provide
 21 state aid to intermediate districts. ~~under this subsection and~~
 22 ~~subsection (2). Subject to subsection (4), there shall be~~ THERE
 23 IS allocated to each intermediate district ~~an~~ A DOLLAR amount
 24 ~~obtained by adding 104% of the prior year's aid received under~~
 25 ~~this subsection before proration and 104% of the product of the~~
 26 ~~prior year's state equalized valuation and the prior year's~~
 27 ~~operating millage, and subtracting from that sum the product of~~

~~1 the current year's state equalized valuation and the prior year's~~
~~2 operating millage~~ THAT IS EQUAL TO THE PERCENTAGE OF THE TOTAL
 3 ALLOCATION UNDER THIS SUBSECTION IN 1993-94 THAT THE INTERMEDIATE
 4 DISTRICT RECEIVED IN 1993-94 UNDER THIS SUBSECTION. However, an
 5 intermediate district shall not receive less than an amount per
 6 pupil equal to 100% of the amount of aid per pupil received under
 7 this subsection for the immediately preceding state fiscal year.

~~8 (2) From the appropriation in section 11, there is allo-~~
~~9 cated to an intermediate district, formed by the consolidation or~~
~~10 annexation of 2 or more intermediate districts or the attachment~~
~~11 of a total intermediate district to another intermediate school~~
~~12 district or the annexation of all of the constituent K-12 dis-~~
~~13 tricts of a previously existing intermediate school district~~
~~14 which has disorganized, an additional allotment of \$3,500.00 each~~
~~15 fiscal year for each intermediate district included in the new~~
~~16 intermediate district for 3 years following consolidation, annex-~~
~~17 ation, or attachment.~~

~~18 (3) In addition to the allocation under subsection (1), from~~
~~19 the appropriation under section 11, there is allocated for~~
~~20 1993-94 an amount not to exceed \$1,212,000.00 for an additional~~
~~21 payment to each intermediate district that had a reduction in the~~
~~22 immediately preceding fiscal year in its allocation due to reduc-~~
~~23 tions in an intermediate district's state equalized valuation~~
~~24 resulting from the resolution of property tax assessment appeals~~
~~25 in constituent districts that affected the state equalized valua-~~
~~26 tion in a fiscal year before 1992-93. The additional payment~~
~~27 under this subsection shall be in an amount equal to the~~

~~1 reduction in the intermediate district's allocation and shall be
2 included in the October payment.~~

~~3 (4) During a fiscal year, the department shall not increase
4 an intermediate district's allocation under subsection (1)
5 because of an adjustment made by the department during the fiscal
6 year in the intermediate district's state equalized valuation for
7 a prior year as a result of action by the state tax commission.
8 Instead, the department shall report the adjustment and the esti-
9 mated amount of the increase to the house and senate fiscal agen-
10 cies not later than June 1 of the fiscal year, and the legisla-
11 ture shall appropriate money for the adjustment in the next suc-
12 ceeding fiscal year.~~

13 Sec. 101. (1) To be eligible to receive state aid under
14 this act, not later than the ~~third~~ SECOND Friday following EACH
15 OF the pupil membership count ~~day~~ DAYS, each district superin-
16 tendent through the secretary of the district's board shall file
17 with the intermediate superintendent a certified and sworn copy
18 of the district's enrollment for EACH PUPIL MEMBERSHIP COUNT DAY
19 OF the current school year. In addition, a district maintaining
20 school during the entire year, as provided under section 1561 of
21 the school code of 1976, being section 380.1561 of the Michigan
22 Compiled Laws, shall file with the intermediate superintendent a
23 certified and sworn copy of the enrollment for EACH PUPIL MEMBER-
24 SHIP COUNT DAY OF the current school year pursuant to rules
25 promulgated by the state board. Not later than ~~25 calendar days~~
26 ~~after~~ the ~~fifth~~ FOURTH Friday after EACH OF the pupil
27 membership count ~~day~~ DAYS, the intermediate district shall

1 transmit to the department the data filed by each of its
 2 constituent districts. If a district fails to file the sworn and
 3 certified copy by the ~~fifth~~ SECOND Friday after ~~the~~ A pupil
 4 membership count day or if an intermediate district fails to
 5 transmit the data in its possession ~~within~~ BY the ~~25 calendar~~
 6 ~~days after the fifth~~ FOURTH Friday after ~~the~~ A pupil member-
 7 ship count day, state aid due to be distributed ~~on December 20~~
 8 under this act shall be withheld from the defaulting district or
 9 intermediate district BEGINNING WITH THE NEXT PAYMENT AND CON-
 10 TINUING WITH EACH PAYMENT UNTIL THE DISTRICT OR INTERMEDIATE DIS-
 11 TRICT COMPLIES WITH THIS SUBSECTION. IF A DISTRICT OR INTERMEDI-
 12 ATE DISTRICT DOES NOT COMPLY WITH THIS SUBSECTION BY THE END OF
 13 THE FISCAL YEAR, THE DISTRICT OR INTERMEDIATE DISTRICT FORFEITS
 14 THE AMOUNT WITHHELD. A person who willfully falsifies a figure
 15 or statement in the certified and sworn copy of enrollment shall
 16 be punished in the manner prescribed by the laws of this state.

17 (2) Each district shall provide a minimum of 180 days AND
 18 990 HOURS of pupil instruction. Except as otherwise provided in
 19 this section, a district failing to hold 180 days of pupil
 20 instruction shall forfeit 1/180 of its total state aid appropria-
 21 tion for each day of failure. ~~A~~ EXCEPT AS OTHERWISE PROVIDED
 22 IN THIS SECTION, A district failing to comply with ~~rules promul-~~
 23 ~~gated by the state board, which rules establish~~ the 990 HOURS
 24 minimum time OF pupil instruction ~~is to be provided to pupils~~
 25 ~~for the regular school year,~~ shall forfeit from its total state
 26 aid allocation an amount determined by applying a ratio of the
 27 time duration the district was in noncompliance in relation to

1 the ~~minimum time pupil instruction is~~ required 990 HOURS. A
2 district failing to meet both the minimum 180 days of pupil
3 instruction requirement and the ~~prescribed time~~ 990 HOURS of
4 pupil instruction requirement shall be penalized only the higher
5 of the 2 amounts calculated under the forfeiture provisions of
6 this subsection. Not later than August 1, the board of each dis-
7 trict shall certify to the department the number of days AND
8 HOURS of pupil instruction in the previous school year. If the
9 district did not hold at least 180 days AND 990 HOURS of pupil
10 instruction, the deduction of state aid shall be made in the fol-
11 lowing fiscal year from the first payment of state school aid. A
12 district is not subject to forfeiture of funds under this subsec-
13 tion for a fiscal year in which a forfeiture was already imposed
14 under subsection (7). Days lost because of strikes or teachers'
15 conferences shall not be counted as days of pupil instruction. A
16 district not having 75% of the district's membership in
17 attendance on any day shall receive state aid in that proportion
18 of 1/180 that the actual percent of attendance bears to the spec-
19 ified percentage. The state board shall promulgate rules for the
20 implementation of this subsection.

21 (3) The first 2 days when pupil instruction is not provided
22 because of conditions not within the control of school authori-
23 ties, such as severe storms, fires, epidemics, or health condi-
24 tions as defined by the city, county, or state health authori-
25 ties, shall be counted as days of pupil instruction. Subsequent
26 such days shall not be counted as days of pupil instruction.

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

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

12 (6) Upon application by the district for a particular fiscal
13 year, the state board may waive the 180-day requirement of sub-
14 section (2) for a district if the district has adopted an experi-
15 mental school year schedule in 1 or more buildings in the dis-
16 trict if the experimental school year schedule provides ~~900~~ 990
17 or more hours of pupil instruction and is consistent with all
18 state board policies on school improvement and restructuring. If
19 a district applies for and receives a waiver under this subsec-
20 tion and complies with the terms of the waiver, for the fiscal
21 year covered by the waiver the district is not subject to forfei-
22 ture of part of its state aid allocation for the specific build-
23 ing or program covered by the waiver.

24 (7) Not later than January 31 of each fiscal year, the board
25 of each district shall certify to the department the planned
26 number of days and hours of pupil instruction in the district for
27 the school year ending in the fiscal year. In addition to any

1 other penalty or forfeiture under this section, if at any time
2 the department determines that 1 or more of the following has
3 occurred in a district, the district shall forfeit in the current
4 fiscal year a proportion of the funds due to the district under
5 this act that is equal to the proportion below 180 days and ~~900~~
6 990 hours, as specified in the following:

7 (a) The district fails to operate its schools for a minimum
8 of 180 days and ~~900~~ 990 hours of pupil instruction in a school
9 year, including days counted under subsection (3).

10 (b) The board of the district takes formal action not to
11 operate its schools for a minimum of 180 days and ~~900~~ 990 hours
12 of pupil instruction in a school year, including days counted
13 under subsection (3).

14 Sec. 104a. (1) In order to receive state aid under this act
15 in ~~1993-94,~~ 1994-95 ~~—~~ or 1995-96, a district shall comply
16 with this section and shall award a state-endorsed high school
17 diploma to an eligible graduate as provided in this section. For
18 a pupil scheduled to graduate in ~~1994,~~ 1995 ~~—~~ or 1996 to be
19 eligible for a state-endorsement in 1 or more of the subject
20 areas of communication arts, mathematics, or science, the pupil
21 must achieve at least 1 of the following:

22 (a) A passing score on locally-adopted and state-approved
23 basic proficiency tests measuring proficiency in 1 or more of the
24 subject areas specified in this subsection.

25 (b) If the pupil is eligible to take the general education
26 development (G.E.D.) test, a passing score in 1 or more of the

1 subject areas specified in this subsection and tested in the
2 G.E.D. test.

3 (c) For a state endorsement in communications arts, ~~at~~
4 ~~least category 2~~ ACHIEVEMENT OF A SATISFACTORY PERFORMANCE LEVEL
5 on the reading portion of the Michigan educational assessment
6 program (MEAP) grade 10 test; for a state endorsement in mathe-
7 matics, ~~at least 50% of the objectives~~ ACHIEVEMENT OF A SATIS-
8 FACTORY PERFORMANCE LEVEL on the mathematics portion of the MEAP
9 grade 10 test; and, for a state endorsement in science, ~~at least~~
10 ~~50% of the objectives~~ ACHIEVEMENT OF CATEGORY 4 on the science
11 portion of the MEAP grade 11 test.

12 (2) Beginning with pupils scheduled to graduate in 1997, if
13 a pupil achieves the outcomes required by the state board, as
14 measured by an assessment instrument developed under
15 subsection (9), for a state-endorsed high school diploma in 1 or
16 more of the subject areas of communications skills, mathematics,
17 and science, the pupil's district shall award a state endorsement
18 on the pupil's diploma in each of the subject areas in which the
19 pupil demonstrated the required proficiency. A district shall
20 not award a state endorsement to a pupil unless the pupil meets
21 the applicable requirements for the endorsement, as described in
22 this subsection. A school district may award a high school
23 diploma to a pupil who successfully completes local district
24 requirements established in accordance with state law for high
25 school graduation, regardless of whether the pupil is eligible
26 for any state endorsement.

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

7 ~~(4) Not later than April 1, 1992, the department shall take~~
8 ~~the necessary steps to seek any waiver or permission that may be~~
9 ~~necessary to allow pupils under age 18 to take the general educa-~~
10 ~~tion development (G.E.D.) test for the purposes of~~
11 ~~subsection (1)(b).~~

12 (4) ~~(5)~~ A pupil who does not achieve at least 1 of the
13 requirements listed in subsection (1) or the requirements of
14 subsection (2), as applicable, may be reevaluated each school
15 year until the pupil achieves an applicable requirement for a
16 state-endorsed diploma. In addition, the board of the district
17 in which the pupil is enrolled shall provide that there be at
18 least 1 meeting attended by at least the pupil and a member of
19 the district's staff or a local or intermediate district consul-
20 tant who is proficient in the measurement and evaluation of
21 pupils. The district may provide the meeting as a group meeting
22 for pupils in similar circumstances. If the pupil is a minor,
23 the district shall invite and encourage the pupil's parent, legal
24 guardian, or person in loco parentis to attend the meeting and
25 shall mail a notice of the meeting to the pupil's parent, legal
26 guardian, or person in loco parentis. The purpose of this
27 meeting and any subsequent meeting under this subsection shall be

1 to determine an educational program for the pupil designed to
2 have the pupil reach proficiency in each subject or skill area in
3 which he or she was assessed by the testing as not proficient.
4 In addition, a district may provide for subsequent meetings with
5 the pupil conducted by a high school counselor or teacher desig-
6 nated by the pupil's high school principal, and shall invite and
7 encourage the pupil's parent, legal guardian, or person in loco
8 parentis to attend the subsequent meetings. The board may pro-
9 vide special programs for the pupil or may develop a program
10 using the educational programs regularly provided by the
11 district. A pupil may be reevaluated at any time the district
12 administers an applicable assessment instrument.

13 (5) ~~-(6)-~~ For a state-endorsed diploma, a pupil must achieve
14 at least 1 of the requirements listed in subsection (1) or the
15 requirements of subsection (2), as applicable, in addition to any
16 other requirements established by law or by the board of a dis-
17 trict for a high school diploma. If the board of a district
18 determines that a pupil qualifies for a state-endorsed diploma,
19 the board shall indicate on the pupil's high school diploma and
20 transcript that the pupil achieved the proficiency necessary for
21 receipt of a state-endorsed diploma.

22 (6) ~~-(7)-~~ An individual may repeat any of the tests or
23 assessment instruments specified in subsection (1) or
24 subsection (2), at any time the district as applicable, regularly
25 offers the test or assessment or, for the MEAP tests described in
26 subsection (1)(c), during the month of April or first 2 weeks of
27 May, and, upon achieving at least 1 of the requirements listed in

1 subsection (1) or the requirements of subsection (2), as
 2 applicable, and completing all other applicable requirements for
 3 a high school diploma, shall be awarded a state-endorsed
 4 diploma.

5 (7) ~~(8)~~ A district shall provide accommodations to a pupil
 6 with disabilities for the proficiency testing or assessment
 7 required under this section, as provided under section 504 of
 8 title V of the rehabilitation act of 1973, Public Law 93-112, 29
 9 U.S.C. 794; subtitle A of title II of the Americans with disabili-
 10 ties act of 1990, Public Law 101-336, 42 U.S.C. 12131 to 12134;
 11 and the implementing regulations for those statutes.

12 (8) ~~(9)~~ Not later than July 31, 1993, for the purposes of
 13 this section, the state board shall develop or select and approve
 14 assessment instruments to determine pupil proficiency in communi-
 15 cations skills, mathematics, and science. The assessment instru-
 16 ments shall be based on the state board model core curriculum
 17 outcomes.

18 (9) ~~(10)~~ Not later than July 31, 1995, the state board
 19 ~~may~~ SHALL develop or select and approve assessment instruments
 20 for the purpose of awarding state endorsements of advanced mas-
 21 tery in specified subject areas.

22 Sec. 107a. (1) From the ~~general fund/general purpose money~~
 23 ~~appropriated~~ APPROPRIATION in section 11 THAT IS ALLOCATED IN
 24 SECTION 107E, there is allocated an amount ~~not to exceed~~
 25 ~~\$40,000,000.00~~ TO BE DETERMINED UNDER SECTION 107E BY THE
 26 GOVERNOR'S WORKFORCE COMMISSION for ~~1993-94~~ 1994-95 for
 27 economic development job training, including existing social

1 services/vocational job club training and placement programs,
2 which, subject to subsection (2), shall be allocated through a
3 competitive application process as follows:

4 (a) An applicant may be a district, intermediate district,
5 community college, public or private nonprofit college or univer-
6 sity, nonprofit organization that provides school-to-work transi-
7 tion programs and state licensed accredited vocational or techni-
8 cal education programs, proprietary school licensed by the state
9 board, service delivery area organized under the federal job
10 training partnership act, Public Law 97-300, 96 Stat. 1322, or a
11 consortium consisting of any combination of districts, intermedi-
12 ate districts, community colleges, nonprofit organizations
13 described in this subdivision, licensed proprietary schools, or
14 public or private nonprofit colleges or universities described in
15 this subdivision. A grant to a licensed proprietary school shall
16 be awarded and used only for the purpose of economic development
17 job training for individuals with a high school diploma.

18 (b) Applications for grants shall be submitted to the
19 governor's workforce commission established by executive order
20 1993-3 not later than a date to be determined by the commission.
21 Applications shall be submitted in a form and manner as pre-
22 scribed by the commission. Each department represented on the
23 governor's workforce commission shall assign appropriate and nec-
24 essary staff to carry out the intent of this section.

25 (c) Applications for all grants shall contain at least all
26 of the following:

1 (i) A description of the specific job skills that will be
2 taught.

3 (ii) A clear statement of the project's scope of activities,
4 number of ~~students~~ PARTICIPANTS to be involved, a management
5 plan and description of staff responsibilities.

6 (iii) A plan to maintain ~~student~~ PARTICIPANT records in a
7 form and manner required by the commission.

8 (iv) A budget that demonstrates how the budget relates to
9 the proposed activities and various program components and
10 whether the estimated costs are reasonable and justified. Costs
11 shall include, but are not limited to, necessary child care, nec-
12 essary transportation, the cost of an annual audit performed by a
13 certified public accountant, and the cost for any tests required
14 to demonstrate successful completion of a program. Budgets shall
15 include revenues from all sources of funding, total costs, and
16 costs per ~~student~~ PARTICIPANT.

17 (v) Evidence that the grant will not supplant other avail-
18 able public or private job training funds.

19 (vi) Evidence of collaboration with appropriate community
20 and business organizations.

21 (d) Priority in the commission's awarding of grants shall be
22 based upon the following criteria:

23 (i) Demonstrated need for the type of training offered and
24 prospects for participant job placement ~~OR~~ OR job retention ~~OR~~
25 ~~or postsecondary enrollment for degree completion,~~ and for
26 strengthening the state's economic base.

1 (ii) The number of unemployed persons, and the number of
2 persons at risk of becoming unemployed, to be trained in the
3 program.

4 (iii) Qualifications of the project director and key person-
5 nel who will be used in the program.

6 (iv) Availability of appropriate classroom space, materials,
7 and equipment.

8 (v) Cost per ~~pupil~~ PARTICIPANT and ~~pupil~~ PARTICIPANT
9 contact hours of training.

10 (vi) Strength of commitment to guaranteed job placement upon
11 completion of training.

12 (vii) Collaboration with appropriate community and business
13 organizations.

14 (viii) Inclusion of an evaluation plan that will provide an
15 assessment of the impact of the training program on participant
16 job placement ~~AND~~ job retention, ~~or postsecondary enrollment~~
17 ~~for degree completion,~~ and on strengthening the state's economic
18 base.

19 (ix) The extent to which the proposals maximize other feder-
20 al, local, private, or in-kind financial contributions.

21 (x) Other criteria determined by the commission to be impor-
22 tant in achieving the objectives of the program.

23 (2) Not more than \$5,000,000.00 of the amount allocated in
24 subsection (1) may be used for rapid response grants awarded
25 according to the procedures under this subsection to initiate
26 employee training programs for maintaining or attracting
27 permanent jobs for Michigan residents. Instead of the

1 competitive application procedures and grant criteria specified
2 in subsection (1), a grant under this subsection shall be awarded
3 by the chief executive officer of the governor's workforce com-
4 mission and shall be approved by the governor and the director of
5 the department of management and budget. A grant under this sub-
6 section shall only be made to an applicant eligible under
7 subsection (1)(a). A grant under this subsection is subject to
8 subsections (3) to (10).

9 (3) Participants in economic development job training pro-
10 grams shall be ~~+6-~~ 20 years or older and not enrolled and
11 counted in membership in a district or intermediate district.

12 (4) Not later than 60 days after completion of the grant
13 period, a recipient of a grant under this section shall provide
14 to the commission in a form and manner prescribed by the commis-
15 sion an evaluation report on the educational and employment out-
16 comes of the participants in the program funded under this
17 section.

18 (5) A recipient of a grant under this section shall not
19 charge tuition or fees to participants in the program funded by
20 the grant.

21 (6) If a participant in a program funded under this section
22 is an employee of a business organization whose employees are
23 receiving job training under the program, or has been an employee
24 of that business organization within 90 days before becoming a
25 participant in the program, the business organization shall pro-
26 vide at least 25% of the funding for the participant's training
27 under the program. The percentage of funding the business

1 organization provides may include in-kind contributions. This
2 subsection does not apply to an individual who becomes a new
3 employee of a business organization as a result of the
4 individual's participation in the program.

5 (7) Except as provided in subsection (8), a grant under this
6 section shall be paid to the grant recipient according to the
7 following schedule:

8 (a) 25% of the grant amount shall be paid within 30 days
9 after the grant is awarded.

10 (b) 25% of the grant amount shall be paid at the completion
11 of the training period, after the grant recipient submits to the
12 commission an interim report specifying actual costs of the
13 training program and training outcomes of the participants.

14 (c) 50% of the grant amount shall be paid at the conclusion
15 of the grant period, as determined by the commission.

16 (8) A grant awarded to an economic development job training
17 grant recipient that guarantees a predetermined number of speci-
18 fied jobs for new employees that are directly related to the
19 participant's area of training shall be paid to the grant recipi-
20 ent according to the following schedule:

21 (a) 40% of the grant amount shall be paid within 30 days
22 after the grant is awarded.

23 (b) 40% of the grant amount shall be paid at the completion
24 of the training period, after the grant recipient submits to the
25 commission an interim report specifying actual costs of the
26 training program and training outcomes of the students.

1 (c) 20% of the grant amount shall be paid at the conclusion
2 of the grant period, as determined by the commission.

3 (9) A recipient of a grant under this section shall allow
4 access for the ~~department~~ COMMISSION or the ~~department's~~
5 COMMISSION'S designee to audit all records related to the grant
6 for all entities that receive money, either directly or indi-
7 rectly through a contract, from the grant funds. A grant recipi-
8 ent OR CONTRACTOR shall reimburse the state for all disallowances
9 found in the audit.

10 (10) A training program receiving a grant ~~awarded in~~
11 ~~+1992-93 or a subsequent fiscal year~~ under this section may
12 extend beyond the end of the fiscal year in which the grant is
13 awarded and the funds awarded for the grant may be carried over
14 into the next fiscal year for payment in the next fiscal year.

15 Sec. 107b. (1) From the ~~general fund/general purpose money~~
16 ~~appropriated~~ APPROPRIATION in section 11 THAT IS ALLOCATED IN
17 SECTION 107E, there is allocated AN AMOUNT TO BE DETERMINED UNDER
18 SECTION 107E BY THE GOVERNOR'S WORKFORCE COMMISSION for ~~+1993-94~~
19 ~~a sum not to exceed \$32,000,000.00~~ 1994-95 for grants to provide
20 a ~~jobs~~ JOBS grant program, which includes the education
21 designed for gainful employment (EDGE) adult education program.
22 An applicant may be a district, intermediate district, community
23 college, public or private nonprofit college or university, non-
24 profit organization that provides school-to-work transition pro-
25 grams and state licensed accredited vocational or technical edu-
26 cation programs, proprietary school licensed by the state board,
27 service delivery area organized under the federal job training

1 partnership act, Public Law 97-300, 96 Stat. 1322, or a
2 consortium consisting of any combination of districts, intermedi-
3 ate districts, community colleges, nonprofit organizations
4 described in this subdivision, licensed proprietary schools, or
5 public or private nonprofit colleges or universities described in
6 this subdivision.

7 (2) JOBS participants shall be limited to recipients of aid
8 to families of dependent children under section 56 of the social
9 welfare act, Act No. 280 of the Public Acts of 1939, being
10 section 400.56 of the Michigan Compiled Laws, and may include
11 such individuals referred to a job club program by a county
12 department of social services or a county friend of the court as
13 long as the participation in the job club is part of an applica-
14 tion made under this section.

15 (3) ~~Except as provided in subsection (4), a~~ A grant recip-
16 ient under this section shall receive funds only after signing a
17 contract with the governor's workforce commission established by
18 executive order 1993-3. The funding shall be disbursed by the
19 commission. The commission may prorate the payments as
20 necessary.

21 ~~(4) A program that received a grant under this section in~~
22 ~~1992-93 may apply to the governor's workforce commission estab-~~
23 ~~lished by executive order 1993-3 for a grant for the first semes-~~
24 ~~ter of the 1993-94 school year. Upon approval by the commission~~
25 ~~and after signing a contract with the commission, a grant recipi-~~
26 ~~ent described in this subsection shall receive a grant under this~~
27 ~~section for the first semester of the 1993-94 school year under~~

~~1 the same procedures as in effect in 1992-93. After the first~~
~~2 semester of the 1993-94 school year, a grant recipient under this~~
~~3 subsection is not eligible for further funding under this subsec-~~
~~4 tion unless it applies and is awarded funding as otherwise pro-~~
~~5 vided in this section.~~

6 (4) ~~(5)~~ Participants in the JOBS program shall not be
7 counted in membership.

8 (5) ~~(6)~~ A grant recipient conducting a JOBS program under
9 this section shall allow access for the commission or the
10 commission's designee to audit all records related to the program
11 for all entities that receive money, either directly or indi-
12 rectly through a contract, under this section. The recipient or
13 contractor, if any, shall reimburse the state for all disallow-
14 ances found in the audit.

15 (6) ~~(7)~~ The commission shall submit to the house and
16 senate fiscal agencies and the department of management and
17 budget by March 15 of each fiscal year an interim report on the
18 JOBS program, including at least a listing of the number of JOBS
19 participants in each program that received a grant under this
20 section. A grant recipient under this section shall provide
21 appropriate data on participants in a form and manner prescribed
22 by the commission.

23 ~~(8) If funds allocated under this section are not awarded~~
~~24 as grants by April 30 of the fiscal year, the remaining funds~~
~~25 shall be used for the purposes of section 107d and the maximum~~
~~26 total allocation under that section shall be increased by the~~
~~27 amount of these remaining funds.~~

1 (7) IN ADDITION TO THE REQUIREMENTS UNDER THIS SECTION,
2 GRANTS AND GRANT RECIPIENTS UNDER THIS SECTION ARE SUBJECT TO ALL
3 OF THE GRANT REQUIREMENTS AND PAYMENT CRITERIA FOR WORKFORCE
4 READINESS GRANTS UNDER SECTION 107E THAT ARE NOT INCONSISTENT
5 WITH THIS SECTION.

6 SEC. 107E. (1) AS USED IN THIS SECTION:

7 (A) "ADULT BASIC EDUCATION PROGRAM" MEANS A PROGRAM THAT
8 PROVIDES INSTRUCTION IN MATHEMATICS, READING, OR ENGLISH AT OR
9 BELOW THE EIGHTH GRADE LEVEL AND THAT PREPARES A PARTICIPANT TO
10 SUCCESSFULLY COMPLETE AN ADULT BASIC EDUCATION TEST APPROVED BY
11 THE DEPARTMENT.

12 (B) "COMMISSION" MEANS THE GOVERNOR'S WORKFORCE COMMISSION
13 AS ESTABLISHED BY EXECUTIVE ORDER 1993-3.

14 (C) "GENERAL EDUCATIONAL DEVELOPMENT TESTING PREPARATION
15 PROGRAM" MEANS A PROGRAM THAT HAS HIGH SCHOOL LEVEL COURSES IN
16 WRITING SKILLS, SOCIAL STUDIES, SCIENCE, READING SKILLS, AND
17 MATHEMATICS AND THAT PREPARES A PARTICIPANT TO SUCCESSFULLY COM-
18 PLETE THE GENERAL EDUCATIONAL DEVELOPMENT (G.E.D.) TEST.

19 (D) "HIGH SCHOOL COMPLETION PROGRAM" MEANS A PROGRAM THAT
20 PREPARES A PARTICIPANT TO SUCCESSFULLY COMPLETE REQUIREMENTS FOR
21 A STATE-ENDORSED HIGH SCHOOL DIPLOMA BY OFFERING CLASSROOM
22 INSTRUCTION IN THE FOLLOWING COURSES:

23 (i) EXCEPT AS PROVIDED IN SUBPARAGRAPH (v), A TOTAL OF 10
24 CREDITS OF ENGLISH OR COMMUNICATION SKILLS, MATHEMATICS, SCIENCE,
25 AND SOCIAL SCIENCE, WITH NOT MORE THAN 3 CREDITS EACH OF MATHE-
26 MATICS, SCIENCE, AND SOCIAL SCIENCE AND NOT MORE THAN 4 CREDITS
27 OF ENGLISH OR COMMUNICATION SKILLS.

1 (ii) EXCEPT AS PROVIDED IN SUBPARAGRAPH (v), 1 CREDIT OF
2 HEALTH.

3 (iii) EXCEPT AS PROVIDED IN SUBPARAGRAPH (v), 4 CREDITS OF A
4 FOREIGN LANGUAGE, VOCATIONAL-TECHNICAL EDUCATION AS APPROVED BY
5 THE COMMISSION, OCCUPATIONAL SKILLS TRAINING AS APPROVED BY THE
6 COMMISSION, OR ANY COMBINATION THEREOF.

7 (iv) EXCEPT AS PROVIDED IN SUBPARAGRAPH (v), 1 CREDIT OF
8 COMPUTER EDUCATION, OR THE EQUIVALENT, AS APPROVED BY THE
9 COMMISSION.

10 (v) A TOTAL OF 4 ADDITIONAL CREDITS OF ANY OF THE SUBJECTS
11 SPECIFIED IN SUBPARAGRAPHS (i) THROUGH (iv), FINE AND PERFORMING
12 ARTS OR PRACTICAL ARTS, OR ANY COMBINATION THEREOF, AS APPROVED
13 BY THE COMMISSION. PARTICIPANTS ENROLLED IN FINE AND PERFORMING
14 ARTS OR PRACTICAL ARTS CLASSES SHALL ALSO BE ENROLLED AND ATTEND
15 WITHIN THE SAME SEMESTER AT LEAST 1 OF THE CLASSES LISTED IN SUB-
16 PARAGRAPHS (i) THROUGH (iv) IN ORDER TO GENERATE MEMBERSHIP FOR
17 THE FINE AND PERFORMING ARTS OR PRACTICAL ARTS CLASS.

18 (E) "WORKFORCE READINESS GRANT" MEANS A GRANT FOR A PROGRAM
19 THAT PREPARES ADULT PARTICIPANTS TO SUCCESSFULLY COMPLETE AN
20 ADULT BASIC EDUCATION TEST, THE GENERAL EDUCATIONAL DEVELOPMENT
21 (G.E.D.) TEST, OR THE TEST REQUIREMENTS FOR HIGH SCHOOL COMPLE-
22 TION AND A STATE-ENDORSED DIPLOMA. AN INDIVIDUAL WHO HAS
23 OBTAINED A HIGH SCHOOL DIPLOMA OR A GENERAL EDUCATION (G.E.D.)
24 CERTIFICATE SHALL NOT BE ELIGIBLE FOR PARTICIPATION IN A WORK-
25 FORCE READINESS GRANT.

26 (2) THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
27 \$155,000,000.00 FOR 1994-95 TO BE AWARDED BY THE COMMISSION IN

1 THE FORM OF WORKFORCE READINESS GRANTS, GRANTS UNDER SECTION 107A
2 FOR ECONOMIC DEVELOPMENT JOB TRAINING, AND JOBS GRANTS UNDER SEC-
3 TION 107B, WHICH SHALL BE ALLOCATED THROUGH A COMPETITIVE APPLI-
4 CATION PROCESS. THE AMOUNT OF THE ALLOCATION TO BE ALLOCATED TO
5 EACH PARTICULAR GRANT PROGRAM SHALL BE DETERMINED BY THE COMMIS-
6 SION AFTER TAKING INTO ACCOUNT THE RELATIVE MERITS OF THE GRANT
7 PROGRAMS. PERSONS PARTICIPATING IN THESE PROGRAMS SHALL BE 20
8 YEARS OR OLDER AT THE TIME OF ENROLLMENT INTO THE PROGRAM AND
9 SHALL NOT BE ENROLLED AND COUNTED IN MEMBERSHIP IN A DISTRICT OR
10 INTERMEDIATE DISTRICT.

11 (3) AN APPLICANT FOR A WORKFORCE READINESS GRANT UNDER THIS
12 SECTION MAY BE A DISTRICT, INTERMEDIATE DISTRICT, COMMUNITY COL-
13 LEGE, PUBLIC OR PRIVATE NONPROFIT COLLEGE OR UNIVERSITY, NON-
14 PROFIT ORGANIZATION THAT PROVIDES STATE LICENSED ACCREDITED VOCA-
15 TIONAL OR TECHNICAL EDUCATION PROGRAMS, OR A CONSORTIUM CONSIST-
16 ING OF ANY COMBINATION OF APPLICANTS DESCRIBED IN THIS
17 SUBSECTION.

18 (4) APPLICATIONS FOR WORKFORCE READINESS GRANTS UNDER THIS
19 SECTION SHALL BE SUBMITTED TO THE COMMISSION NOT LATER THAN
20 MARCH 1, 1994 FOR THE FOLLOWING SCHOOL YEAR. APPLICATIONS SHALL
21 BE SUBMITTED IN A FORM AND MANNER AS PRESCRIBED BY THE
22 COMMISSION. EACH DEPARTMENT REPRESENTED ON THE COMMISSION SHALL
23 ASSIGN APPROPRIATE AND NECESSARY STAFF TO CARRY OUT THE INTENT OF
24 THIS SECTION.

25 (5) APPLICATIONS FOR WORKFORCE READINESS GRANTS UNDER THIS
26 SECTION SHALL CONTAIN AT LEAST ALL OF THE FOLLOWING:

1 (A) A CLEAR STATEMENT OF THE PROJECT'S SCOPE OF ACTIVITIES,
2 NUMBER OF PARTICIPANTS TO BE INVOLVED, A MANAGEMENT PLAN, AND
3 DESCRIPTION OF STAFF RESPONSIBILITIES.

4 (B) A PLAN TO MAINTAIN PARTICIPANT RECORDS IN A FORM AND
5 MANNER REQUIRED BY THE COMMISSION. PARTICIPANT RECORDS SHALL
6 INCLUDE SOCIAL SECURITY NUMBERS FOR INDIVIDUALS PARTICIPATING IN
7 ALL OF THE PROGRAMS DESCRIBED UNDER THIS SECTION.

8 (C) A BUDGET WHICH DEMONSTRATES HOW THE BUDGET RELATES TO
9 THE PROPOSED ACTIVITIES AND VARIOUS PROGRAM COMPONENTS AND
10 WHETHER THE ESTIMATED COSTS ARE REASONABLE AND JUSTIFIED. COSTS
11 SHALL INCLUDE, BUT ARE NOT LIMITED TO, NECESSARY CHILD CARE, NEC-
12 ESSARY TRANSPORTATION, THE COST OF AN ANNUAL AUDIT PERFORMED BY A
13 CERTIFIED PUBLIC ACCOUNTANT, AND THE COST FOR ANY TESTS REQUIRED
14 TO DEMONSTRATE SUCCESSFUL COMPLETION OF A PROGRAM. BUDGETS SHALL
15 INCLUDE REVENUES FROM ALL SOURCES OF FUNDING, TOTAL COSTS, AND
16 COSTS PER PARTICIPANT.

17 (D) EVIDENCE OF COLLABORATION WITH APPROPRIATE COMMUNITY AND
18 BUSINESS ORGANIZATIONS.

19 (E) EVIDENCE THAT THE PROPOSED PROGRAM OR PROGRAMS ARE IN
20 COMPLIANCE WITH ADULT EDUCATION STANDARDS OF QUALITY AS APPROVED
21 BY THE STATE BOARD.

22 (F) A PROCESS FOR DEVELOPING A PLANNED PROGRAM FOR ADULT
23 BASIC EDUCATION, GENERAL EDUCATION DEVELOPMENT (G.E.D.), OR FOR
24 HIGH SCHOOL COMPLETION FOR EACH PARTICIPANT ENROLLED IN THE PRO-
25 GRAM, WHICH SHALL INCLUDE A COMPLETE ASSESSMENT OF THE
26 PARTICIPANT'S ACADEMIC CAPABILITIES. THE PLAN SHALL INCLUDE
27 COURSE DESCRIPTIONS FOR ALL ADULT BASIC EDUCATION, GENERAL

1 EDUCATION, AND HIGH SCHOOL COMPLETION COURSES AND A TIMELINE FOR
2 THE PARTICIPANT'S SUCCESSFUL COMPLETION OF THE ADULT BASIC EDUCA-
3 TION, GENERAL EDUCATION, OR HIGH SCHOOL COMPLETION PROGRAM. THE
4 PLAN AND A REPORT ON THE PARTICIPANT'S PROGRESS TOWARD COMPLETION
5 OF THE PLAN SHALL BE MAINTAINED IN A MANNER WHICH CAN BE REVIEWED
6 BY THE COMMISSION FOR COMPLIANCE WITH SUBSECTION (9) AND THIS
7 SUBDIVISION.

8 (G) A PLAN TO EXPEND AT LEAST 5% OF FUNDS RECEIVED FOR VOCA-
9 TIONAL AND JOB COUNSELING FOR PARTICIPANTS.

10 (6) PRIORITY FOR AWARDING WORKFORCE READINESS GRANTS SHALL
11 BE BASED UPON THE FOLLOWING CRITERIA:

12 (A) QUALIFICATIONS OF PROJECT DIRECTOR, TEACHERS, AND OTHER
13 KEY PERSONNEL TO BE USED IN THE PROJECT.

14 (B) AVAILABILITY OF APPROPRIATE CLASSROOM SPACE, MATERIALS,
15 AND EQUIPMENT.

16 (C) INTEGRATION OF APPROPRIATE VOCATIONAL OR TECHNICAL CUR-
17 RICULUM MATERIALS OR INSTRUCTION INTO THE PARTICIPANTS' PLANNED
18 PROGRAM.

19 (D) COST PER PARTICIPANT AND NUMBER OF PARTICIPANT CONTACT
20 HOURS OF INSTRUCTION.

21 (E) GEOGRAPHIC DISTRIBUTION OF GRANTS.

22 (F) THE EXTENT TO WHICH THE PROPOSAL MAXIMIZES OTHER FEDER-
23 AL, LOCAL, PRIVATE, OR IN-KIND FINANCIAL CONTRIBUTIONS. FEDERAL
24 FUNDS SHALL INCLUDE, BUT ARE NOT LIMITED TO, VOCATIONAL AND ADULT
25 EDUCATION FUNDS AVAILABLE THROUGH THE OFFICE OF VOCATIONAL AND
26 ADULT EDUCATION OF THE UNITED STATES DEPARTMENT OF EDUCATION.

1 (G) OTHER CRITERIA DETERMINED BY THE COMMISSION TO BE
2 IMPORTANT IN ACHIEVING THE OBJECTIVES OF THE WORKFORCE READINESS
3 GRANT PROGRAM.

4 (7) THE COMMISSION SHALL NOTIFY WORKFORCE READINESS GRANT
5 AWARD RECIPIENTS OF THEIR AWARDS NOT LATER THAN JULY 1, 1994 AND
6 SHALL AWARD AT LEAST 1 GRANT WITHIN EACH INTERMEDIATE DISTRICT
7 FROM WHICH THERE IS AN ELIGIBLE APPLICANT. HOWEVER, NOT MORE
8 THAN 50% OF THE TOTAL AMOUNT ALLOCATED BY THE COMMISSION FOR
9 WORKFORCE READINESS GRANTS SHALL BE AWARDED FOR PROGRAMS BEGIN-
10 NING BEFORE JANUARY 1, 1995. THE COMMISSION SHALL USE THE
11 REMAINING AMOUNT ALLOCATED FOR WORKFORCE READINESS GRANTS TO
12 AWARD GRANTS FOR PROGRAMS BEGINNING AFTER JANUARY 1, 1995, EITHER
13 TO ADDITIONAL APPLICANTS OR TO AUGMENT GRANTS THAT WERE PREVI-
14 OUSLY AWARDED. THE COMMISSION SHALL NOTIFY THE RECIPIENTS OF
15 WORKFORCE READINESS GRANT AWARDS FOR PROGRAMS BEGINNING AFTER
16 JANUARY 1, 1995 OF THEIR AWARDS NOT LATER THAN NOVEMBER 1, 1994.

17 (8) A RECIPIENT OF A WORKFORCE READINESS GRANT SHALL NOT
18 CHARGE TUITION OR FEES TO PARTICIPANTS ENROLLED IN ANY PROGRAM
19 FUNDED AT LEAST IN PART BY A WORKFORCE READINESS GRANT FOR UP TO
20 A MAXIMUM OF 5 TOTAL YEARS OF PARTICIPATION IN ANY WORKFORCE
21 READINESS PROGRAM PROVIDED BY ANY GRANT RECIPIENT BEGINNING
22 SEPTEMBER 1, 1993. FOR PURPOSES OF THIS SUBSECTION, A TOTAL YEAR
23 OF PARTICIPATION IS DEFINED AS 480 HOURS OF CLASSROOM INSTRUCTION
24 FOR WHICH A PARTICIPANT IS ENROLLED. A RECIPIENT OF A WORKFORCE
25 READINESS GRANT MAY CHARGE A PARTICIPANT WHO EXCEEDS 5 TOTAL
26 YEARS OF PARTICIPATION UP TO 50% OF THE ACTUAL COST OF THE
27 PROGRAM. THE COMMISSION SHALL DEVELOP AN ELECTRONIC DATA SYSTEM

1 WITH WHICH GRANT RECIPIENTS MAY IDENTIFY THE PREVIOUS
2 PARTICIPATION OF INDIVIDUALS ENROLLED IN THE PROGRAM.

3 (9) A WORKFORCE READINESS COMPETITIVE GRANT SHALL BE PAID TO
4 THE GRANT RECIPIENT BASED UPON THE FOLLOWING CRITERIA:

5 (A) 30% FOR ENROLLMENT OF ELIGIBLE PARTICIPANTS.

6 (B) 30% FOR CLASSROOM ATTENDANCE.

7 (C) 30% FOR ATTAINMENT OF A STATE-ENDORSED HIGH SCHOOL

8 DIPLOMA; FOR PASSAGE OF THE GENERAL EDUCATION DEVELOPMENT

9 (G.E.D.) TEST; FOR PASSAGE OF AN ADULT BASIC EDUCATION TEST; OR

10 FOR DEMONSTRATED PROFICIENCY IN THE ACADEMIC OR VOCATIONAL SKILLS

11 DIRECTLY RELATED TO THE PARTICIPANT'S PROGRAM PLAN DEVELOPED AS

12 REQUIRED UNDER THIS SECTION. DEMONSTRATED PROFICIENCY MUST BE IN

13 A FORM AND MANNER APPROVED BY THE COMMISSION.

14 (D) 10% FOR EVIDENCE OF A COMPLETED COMPREHENSIVE ASSESSMENT

15 AS REQUIRED BY THIS SECTION FOR EACH PARTICIPANT ENROLLED IN THE

16 PROGRAM.

17 (10) FOR PURPOSES OF SUBSECTION (9), CLASSROOM ATTENDANCE

18 SHALL BE MEASURED BY THE TOTAL CUMULATIVE PARTICIPANT CLOCK HOURS

19 OF CLASSROOM INSTRUCTION. THE TOTAL CUMULATIVE PARTICIPANT CLOCK

20 HOURS OF CLASSROOM INSTRUCTION SHALL BE DETERMINED BY MULTIPLYING

21 THE TOTAL NUMBER OF ENROLLED PARTICIPANTS BY 480 HOURS. CREDIT

22 FOR CUMULATIVE PARTICIPANT CLOCK HOURS OF CLASSROOM INSTRUCTION

23 SHALL BE DETERMINED BY DIVIDING THE TOTAL NUMBER OF CLOCK HOURS

24 OF CLASSROOM INSTRUCTION ATTENDED BY THE TOTAL NUMBER OF CUMULA-

25 TIVE PARTICIPANT CLOCK HOURS. THE SPECIFIC PERCENTAGE ALLOWABLE

26 FOR ATTENDANCE SHALL BE 0.3% FOR EACH 1% OF ATTENDANCE, ROUNDING

27 TO THE NEAREST WHOLE PERCENT.

1 (11) A WORKFORCE READINESS GRANT SHALL BE PAID TO THE GRANT
2 RECIPIENT ACCORDING TO THE FOLLOWING SCHEDULE:

3 (A) 30% OF THE GRANT AMOUNT SHALL BE PAID WITHIN 30 DAYS
4 AFTER THE GRANT IS AWARDED.

5 (B) 40% OF THE GRANT AMOUNT SHALL BE PAID AT THE COMPLETION
6 OF THE INSTRUCTION PERIOD, AFTER THE GRANT RECIPIENT SUBMITS TO
7 THE COMMISSION AN INTERIM REPORT SPECIFYING ESTIMATED CLASSROOM
8 ATTENDANCE.

9 (C) 30% OF THE GRANT AMOUNT SHALL BE PAID AT THE CONCLUSION
10 OF THE GRANT PERIOD, AFTER THE GRANT RECIPIENT SUBMITS TO THE
11 COMMISSION A FINAL REPORT SPECIFYING THE NUMBER OF PARTICIPANTS
12 MEETING THE CRITERIA IDENTIFIED UNDER SUBSECTION (9)(C), AND
13 AFTER ADJUSTMENTS HAVE BEEN MADE BY THE COMMISSION FOR THE PAY-
14 MENT CRITERIA CONTAINED IN SUBSECTION (9).

15 (12) UPON RECEIVING SATISFACTORY PROOF FROM THE GRANT RECIP-
16 IENT OF A WORKFORCE READINESS GRANT, IN A MANNER DETERMINED BY
17 THE COMMISSION, OF A PARTICIPANT'S COMPLETION OF REQUIREMENTS FOR
18 AN ADULT BASIC EDUCATION CERTIFICATE, A GENERAL EDUCATION DEVEL-
19 OPMENT CERTIFICATE, OR A HIGH SCHOOL DIPLOMA, THE COMMISSION
20 SHALL NOTIFY THE STATE BOARD. THE STATE BOARD SHALL DIRECT THE
21 DEPARTMENT TO ISSUE AN ADULT EDUCATION CERTIFICATE, GENERAL EDU-
22 CATION CERTIFICATE, OR A STATE-ENDORSED OR NONENDORSED DIPLOMA,
23 AS APPROPRIATE. THE DEPARTMENT MAY RECEIVE FUNDS FROM GRANT
24 RECIPIENTS TO COVER THE ACTUAL COSTS OF ISSUING CERTIFICATES AND
25 DIPLOMAS.

26 (13) A GRANT RECIPIENT UNDER THIS SECTION SHALL ALLOW ACCESS
27 FOR THE COMMISSION OR THE COMMISSION'S DESIGNEE TO AUDIT ALL

1 RECORDS RELATED TO THE PROGRAM FOR ALL ENTITIES THAT RECEIVE
 2 MONEY, EITHER DIRECTLY OR INDIRECTLY THROUGH A CONTRACT, FROM
 3 GRANT FUNDS. A GRANT RECIPIENT OR A CONTRACTOR SHALL REIMBURSE
 4 THE STATE FOR ALL DISALLOWANCES FOUND IN THE AUDIT.

5 (14) THE COMMISSION MAY CARRY INTO THE SUCCEEDING FISCAL
 6 YEAR FUNDS THAT HAVE BEEN AWARDED TO WORKFORCE READINESS GRANT
 7 RECIPIENTS BEFORE THE END OF THE FISCAL YEAR FROM THE WORKFORCE
 8 READINESS GRANTS ALLOCATION.

9 Sec. 124. (1) ~~When~~ IF taxes levied for operating purposes
 10 against property constituting at least 10% of the valuation of a
 11 district are paid under protest and, therefore, are unavailable
 12 to the district, the total valuation of the district for the pur-
 13 poses of this act shall be reduced by the valuation of the
 14 property. The credits so obtained by a district in the
 15 ~~application of the formula provided in section 21(1)~~
 16 CALCULATION OF PAYMENTS TO THE DISTRICT UNDER THIS ACT shall
 17 remain a lien against the district and shall be paid by the dis-
 18 trict to the school aid fund when the taxes are collected.

19 (2) ~~When~~ IF taxes levied for operating purposes against
 20 property constituting at least 5% of the valuation of a district
 21 are not paid by a single bankrupt debtor that files for reorgani-
 22 zation under chapter 11 of title 11 of the United States code, 11
 23 U.S.C. 1101 to 1174, and, therefore, are unavailable to the dis-
 24 trict, the total valuation of the district for the purposes of
 25 this act shall be reduced by the valuation of the property. The
 26 credits so obtained by a district in the ~~application of the~~
 27 ~~formula provided in section 21(1)~~ CALCULATION OF PAYMENTS TO THE

1 DISTRICT UNDER THIS ACT shall remain a lien against the district
2 and shall be paid by the district to the school aid fund when the
3 taxes are collected. This subsection shall be implemented upon
4 verification by the department that the district has taken proper
5 action to attempt to secure payment of taxes by the bankrupt
6 debtor.

7 ~~(3) When taxes levied in 1986 for operating purposes~~
8 ~~against property constituting at least 5% of the valuation of a~~
9 ~~district that levied for operating purposes 36.0 mills or 36.9~~
10 ~~mills in 1986-87 are not paid by a company or group of companies~~
11 ~~under common control or ownership, and, therefore, are unavail-~~
12 ~~able to the district, the total valuation of the district for the~~
13 ~~purposes of this act shall be reduced for 1986-87 by the valua-~~
14 ~~tion of the property. The credits so obtained by a district in~~
15 ~~the application of the formula provided in section 21(1) shall~~
16 ~~remain a lien against the district and shall be paid by the dis-~~
17 ~~trict to the school aid fund when the taxes are collected or~~
18 ~~received from the delinquent tax revolving fund. This subsection~~
19 ~~shall be implemented upon verification by the department that the~~
20 ~~district has taken proper action to attempt to secure payment of~~
21 ~~taxes by the debtor and has taken actions necessary to insure~~
22 ~~that the district is operating with a balanced budget for the~~
23 ~~current year.~~

24 (3) ~~(4)~~ If taxes levied for operating purposes against
25 property constituting at least 4% of the valuation of a district
26 are not paid by a single bankrupt debtor that files for
27 reorganization under chapter 11 of title 11 of the United States

1 code, 11 U.S.C. 1101 to 1174, and, therefore, were unavailable to
 2 the district during the 1988-91 school years, the total valuation
 3 of the district for the purposes of this act shall be reduced by
 4 the valuation of the property. The credits so obtained by a dis-
 5 trict in the ~~application of the formula provided in section~~
 6 ~~21(1)~~ CALCULATION OF PAYMENTS TO THE DISTRICT UNDER THIS ACT
 7 shall remain a lien against the district and shall be paid by the
 8 district to the school aid fund when the taxes are collected.
 9 This subsection shall be implemented upon verification by the
 10 department that the district has taken proper action to attempt
 11 to secure payment of taxes by the bankrupt debtor.

12 Sec. 145. From the amount appropriated in section 11, there
 13 is allocated for ~~1993-94~~ 1994-95 an amount ~~sufficient~~ NOT TO
 14 EXCEED \$3,920,000.00 to pay the state share of desegregation
 15 costs mandated by the federal court before June 1, 1983, in Berry
 16 v school district of the city of Benton Harbor, United States
 17 district court for the western district of Michigan, docket
 18 no. C.A. 9. ~~Not later than December 31, 1992, the state shall~~
 19 ~~file an appropriate motion with the United States district court~~
 20 ~~to seek relief from any further obligation under the court's~~
 21 ~~order in that case, either through the office of the attorney~~
 22 ~~general or using outside counsel for the motion.~~

23 Sec. 147. ~~(1) From the appropriation in section 11, and~~
 24 ~~subject to subsection (2), the following is allocated for 1993-94~~
 25 ~~for the public school employees' retirement system pursuant to~~
 26 ~~the public school employees retirement act of 1979, Act No. 300~~

1 ~~of the Public Acts of 1980, being sections 38.1301 to 38.1408 of~~
 2 ~~the Michigan Compiled Laws.~~

For Fiscal Year
 Ending Sept. 30,
1994

6 ~~PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM~~

7	Retirement allowance normal	
8	cost.....	\$ 123,824,300
9	Retirement allowance	
10	unfunded accrued	
11	liabilities.....	192,615,600
12	Health insurance premium	
13	disbursement.....	238,017,800
14	Reconciliation and interest	
15	payment.....	<u>34,767,000</u>
16	GROSS APPROPRIATION.....	\$ 509,225,500
17	Appropriated from:	
18	Federal revenues:	
19	Retirement contribution	
20	pass through.....	22,305,600
21	Special revenue funds:	
22	School aid fund.....	341,077,400
23	Reserve for health benefits.....	9225,042,500

24 (1) ~~(2)~~ The allocations ~~under this section~~ FOR 1994-95
 25 FOR THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM PURSUANT TO
 26 THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, ACT NO. 300
 27 OF THE PUBLIC ACTS OF 1980, BEING SECTIONS 38.1301 TO 38.1408 OF
 28 THE MICHIGAN COMPILED LAWS, shall be made using the entry age
 29 normal cost actuarial method and risk assumptions adopted by the

1 public school employees retirement board and the department of
 2 management and budget. The annual level percentage of payroll
 3 contribution rate assumed for the ~~1993-94~~ 1994-95 state fiscal
 4 year is ~~+3.06%~~ 14.07%. The portion of the contribution rate
 5 assigned to local districts and intermediate districts for the
 6 ~~1993-94~~ 1994-95 state fiscal year is ~~5.0 percentage points~~
 7 ALL of the total ~~+3.06~~ 14.07 percentage points.

8 (2) ~~(3)~~ Adjustments are made ~~under the reconciliation~~
 9 ~~line item in subsection (1)~~ to reflect the difference between
 10 the estimated and actual 1988-89 contribution requirements, the
 11 estimated and actual 1989-90 contribution requirements, the esti-
 12 mated and actual 1990-91 contribution requirements, ~~and~~ the
 13 estimated and actual 1991-92 contribution requirements, AND THE
 14 ESTIMATED AND ACTUAL 1992-93 CONTRIBUTION REQUIREMENTS for the
 15 public school employees' retirement system as required in section
 16 41 of the public school employees retirement act of 1979, Act
 17 No. 300 of the Public Acts of 1980, being section 38.1341 of the
 18 Michigan Compiled Laws. The net amount of these adjustments
 19 shall be applied proportionately to the reserve for employer con-
 20 tributions created by section 30 of Act No. 300 of the Public
 21 Acts of 1980, being section 38.1330 of the Michigan Compiled
 22 Laws, and the reserve for health benefits created by section 34
 23 of Act No. 300 of the Public Acts of 1980, being section 38.1334
 24 of the Michigan Compiled Laws.

25 ~~(4) Included in the amounts allocated under subsection (1),~~
 26 ~~there is allocated sufficient funds to pay the costs associated~~
 27 ~~with the administrative services only contract for claims~~

1 ~~administration in connection with the conversion to~~
2 ~~self insurance.~~

3 Sec. 149. (1) From the general fund/general purpose appro-
4 priation in section 11, there is allocated ~~\$5,000,000.00~~
5 \$5,397,600.00 for ~~1993-94~~ 1994-95 for THE FINAL YEAR OF a grant
6 to Michigan state university for the Michigan partnership for new
7 education. The payments shall be made in 2 equal installments on
8 October 20 and December 20. During each state fiscal year, the
9 Michigan partnership and its partner institutions shall raise or
10 contribute matching funds totaling at least 1/2 of the amount
11 allocated in this section for the partnership. The Michigan
12 partnership for new education shall use resources of the state
13 and federal government, corporations, foundations, districts,
14 intermediate districts, community colleges, and state universi-
15 ties to assist in the development and operation of a coordinated
16 statewide educational innovation system, including, but not
17 limited to, all of the following:

18 (a) Professional development schools in which K-12, interme-
19 diate district, community college, and university educators
20 collaborate.

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

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

26 (d) Dissemination of new knowledge, skills, and strategies
27 to local schools, universities, and communities in cooperation

1 with the state board, intermediate districts, community colleges,
 2 and professional education organizations and associations.
 3 Dissemination activities shall use telecommunications infrastruc-
 4 ture as available and appropriate.

5 (e) New research-based strategies, instruments, and
 6 ~~indicators~~ STANDARDS OF ACCOUNTABILITY to assess student and
 7 educator learning, school and university performance, and commu-
 8 nity contributions to student learning and development.

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

11 (g) Educational improvement policy studies.

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

15 (a) Released time for teachers and administrators to collab-
 16 orate on educational innovation with university faculty and com-
 17 munity partners.

18 (b) Compensation for university faculty, teachers, and
 19 administrators to collaborate on educational innovation activi-
 20 ties such as course planning, materials development, professional
 21 development, research, and dissemination.

22 (c) Compensation for staff necessary to facilitate the par-
 23 ticipation of teachers, administrators, university faculty, and
 24 community partners.

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

1 (e) Evaluation of the work of the partnership, including
2 professional development schools, community partnerships, univer-
3 sity professional education preparation, product development, and
4 dissemination networks.

5 (f) Meeting and travel expenses.

6 (3) Not later than March 1 of each year, the Michigan part-
7 nership for new education shall submit to the senate and house
8 appropriations subcommittees responsible for the department's
9 budget, the senate and house fiscal agencies, the governor, and
10 the state board a report on its activities and accomplishments
11 for the immediately preceding fiscal year, including evaluation
12 results and matching funds raised or contributed, and a detailed
13 work plan for the fiscal year beginning the next October 1. Not
14 later than November 30 of each fiscal year, the Michigan partner-
15 ship shall submit to all of those entities a report on expendi-
16 tures for the immediately preceding fiscal year.

17 Sec. 152a. In order to receive funds under this act, not
18 later than May 15 of each state fiscal year, each district shall
19 furnish to the department, on a form and in a manner prescribed
20 by the department, estimates of the district's full-time equated
21 K-12 membership ~~—, AND part-time membership —, and the~~
22 ~~district's full-time equated adult education participants~~ for
23 the next school fiscal year.

24 Sec. 162. A district or intermediate district that fails
25 through the negligence of school officials to file reports pursu-
26 ant to this act shall forfeit that proportion of funds to which
27 the district or intermediate district otherwise would be entitled

1 under this act as the delay in the reports bears to a school term
2 of 180 days AND 990 HOURS for the district or intermediate
3 district.

4 Sec. 167. (1) The department in cooperation with the
5 department of public health shall develop plans to assist local
6 school districts and local county health departments to comply
7 with section 1177 of the school code of 1976, being
8 section 380.1177 of the Michigan Compiled Laws, and section 9209
9 of the public health code, Act No. 368 of the Public Acts of
10 1978, being section 333.9209 of the Michigan Compiled Laws, for
11 each school year.

12 ~~(2) Each district shall report the immunization status of~~
13 ~~each entering pupil in grades K through 12 to the local health~~
14 ~~department in which it is located by February 1 of each school~~
15 ~~year in a manner prescribed by the department of public health.~~
16 ~~Not later than March 31 of each school year, the department of~~
17 ~~public health shall notify the department by district of the per-~~
18 ~~centage of entering pupils who do not have a completed, waived,~~
19 ~~or provisional immunization record in accordance with section~~
20 ~~1177 of the school code of 1976. If a district does not have a~~
21 ~~completed, waived, or provisional immunization record in accord-~~
22 ~~ance with section 1177 of the school code of 1976 for at least~~
23 ~~90% of the district's pupils by March 1 as recorded in the~~
24 ~~February 1 report, the district is subject to subsection (5)~~
25 ~~until the district has such an immunization record for at least~~
26 ~~90% of its pupils. Also, if the department of public health is~~
27 ~~not able to report to the department by March 31 because a school~~

~~1 district fails to submit a report as required in this subsection,~~
~~2 or submits an incomplete, inaccurate, or late report, the dis-~~
~~3 trict is subject to subsection (5), until the report is submitted~~
~~4 in a complete and accurate form.~~

5 (2) ~~(3)~~ In 1994-95, each district shall ~~again~~ report the
6 immunization status of each entering pupil in grades K through 12
7 to the local health department in which it is located by
8 November 1, 1994 in a manner prescribed by the department of
9 public health. Not later than December 31, 1994, the department
10 of public health shall notify the department by district of the
11 percentage of entering pupils who do not have a completed,
12 waived, or provisional immunization record in accordance with
13 section 1177 of the school code of 1976. If a district does not
14 have a completed, waived, or provisional immunization record in
15 accordance with section 1177 of the school code of 1976 for at
16 least 90% of the district's entering pupils as recorded in the
17 November 1 reports required under this subsection, the district
18 is subject to subsection ~~(5)~~ (4) until the district has such an
19 immunization record for at least 90% of its pupils.

20 (3) ~~(4)~~ In 1994-95, each district shall again report the
21 immunization status of each entering pupil in grades K through 12
22 to the local health department in which it is located by
23 February 1, 1995, in a manner prescribed by the department of
24 public health. Not later than March 31, 1995, the department of
25 public health shall notify the department by district of the per-
26 centage of entering pupils who do not have a completed, waived,
27 or provisional immunization record in accordance with

1 section 1177 of the school code of 1976. If a district does not
2 have a completed, waived, or provisional immunization record in
3 accordance with section 1177 of the school code of 1976 for at
4 least 95% of the district's entering pupils as recorded in the
5 February 1, 1995 reports required under this subsection, the dis-
6 trict is subject to subsection ~~-(5)-~~ (4) until the district has
7 such an immunization record for at least 95% of its pupils. If
8 the department of public health is not able to report to the
9 department by March 31, 1995, because a district fails to submit
10 a report as required in this subsection, or submits an incom-
11 plete, inaccurate, or late report, the district is subject to
12 subsection ~~-(5)-~~ (4) until the report is submitted in a complete
13 and accurate form.

14 (4) ~~-(5)-~~ If a district does not comply with this section,
15 the department shall withhold 5% of the TOTAL funds due to the
16 district under this act after the date the department of public
17 health reports a district's noncompliance with this section to
18 the department until the district complies with this section. IF
19 THE DISTRICT DOES NOT COMPLY WITH THIS SECTION BY THE END OF THE
20 FISCAL YEAR, THE DISTRICT FORFEITS THE TOTAL AMOUNT WITHHELD.

21 SEC. 168B. (1) IN ORDER TO RECEIVE FUNDS UNDER THIS ACT, A
22 DISTRICT SHALL SOLICIT SEALED COMPETITIVE BIDS ACCORDING TO A
23 BIDDING PROCEDURE ADOPTED BY THE BOARD OF THE DISTRICT FOR EACH
24 NONINSTRUCTIONAL SERVICE PROVIDED BY OR FOR THE DISTRICT THAT HAS
25 AN EXPECTED COST OF \$5,000.00 OR MORE, AND, FOR EACH NONINSTRUC-
26 TIONAL SERVICE, SHALL PREPARE AN ANALYSIS OF THE COSTS OF
27 PROVIDING THE SERVICES ITSELF USING ITS OWN EMPLOYEES, EQUIPMENT,

1 AND FACILITIES. NONINSTRUCTIONAL SERVICES INCLUDE, BUT ARE NOT
2 LIMITED TO, TRANSPORTATION, FOOD SERVICES, JANITORIAL AND BUILD-
3 ING MAINTENANCE SERVICES, AND ADMINISTRATIVE SERVICES SUCH AS
4 DATA PROCESSING, ACCOUNTING, AND CLERICAL FUNCTIONS. DISTRICTS
5 SHALL SOLICIT COMPETITIVE BIDS FROM AT LEAST ALL OF THE
6 FOLLOWING:

7 (A) ONE OR MORE INTERMEDIATE DISTRICTS OR CONSORTIA OF
8 INTERMEDIATE DISTRICTS.

9 (B) ONE OR MORE DISTRICTS OR CONSORTIA OF DISTRICTS.

10 (C) CURRENT DISTRICT EMPLOYEES PROPOSING TO PROVIDE THE
11 SERVICE INDEPENDENTLY.

12 (D) ONE OR MORE PRIVATE SECTOR VENDORS.

13 (2) ALL BIDS RECEIVED FOR A SPECIFIED SERVICE SHALL BE
14 OPENED BY THE BOARD OF THE DISTRICT OR ITS DESIGNEE IN A PUBLIC
15 MEETING. THE BOARD SHALL THEN EVALUATE THE BIDS AND COMPARE THEM
16 TO THE OTHER BIDS AND TO THE ANALYSIS PREPARED BY THE DISTRICT OF
17 THE COSTS OF PROVIDING THE SERVICE ITSELF. THE BOARD SHALL PRO-
18 VIDE A WRITTEN EXPLANATION, AVAILABLE TO THE PUBLIC, FOR ITS
19 DECISION TO AWARD A CONTRACT TO A SUCCESSFUL BIDDER OR TO PROVIDE
20 THE SERVICE ITSELF.

21 (3) FOR THE DURATION OF THE CONTRACT, THIS SECTION DOES NOT
22 APPLY TO A NONINSTRUCTIONAL SERVICE FOR WHICH A DISTRICT SOLIC-
23 ITED AND RECEIVED SEALED COMPETITIVE BIDS BEFORE OCTOBER 1, 1994
24 AND AWARDED A CONTRACT.

25 Section 2. In accordance with the provisions of section 30
26 of article IX of the state constitution of 1963, total state
27 spending in this amendatory act is \$8,854,000,000.00 for 1994-95,

1 and state appropriations to be paid to local units of government
2 are \$8,848,602,400.00 for 1994-95.

3 Section 3. Sections 12, 13, 16, 17a, 18a, 21, 21a, 22, 23a,
4 23b, 23c, 25, 26, 27, 28, 31, 32, 34, 34a, 41, 46, 47, 48, 61,
5 62, 64, 71, 72, 83, 85, 86, 91, 92a, 93, 98, 98a, 98b, 99, 101a,
6 103, 107, 107c, 107d, 108, 111, 113, 116, 117, 118, 121, 122,
7 143, 144, 146, 149a, 149c, 151, 152, 153, 155, 156, 157, 158,
8 163, 165, 166a, 166b, and 169a of Act No. 94 of the Public Acts
9 of 1979, being sections 388.1612, 388.1613, 388.1616, 388.1617a,
10 388.1618a, 388.1621, 388.1621a, 388.1622, 388.1623a, 388.1623b,
11 388.1623c, 388.1625, 388.1626, 388.1627, 388.1628, 388.1631,
12 388.1632, 388.1634, 388.1634a, 388.1641, 388.1646, 388.1647,
13 388.1648, 388.1661, 388.1662, 388.1664, 388.1671, 388.1672,
14 388.1683, 388.1685, 388.1686, 388.1691, 388.1692a, 388.1693,
15 388.1698, 388.1698a, 388.1698b, 388.1699, 388.1701a, 388.1703,
16 388.1707, 388.1707c, 388.1707d, 388.1708, 388.1711, 388.1713,
17 388.1716, 388.1717, 388.1718, 388.1721, 388.1722, 388.1743,
18 388.1744, 388.1746, 388.1749a, 388.1749c, 388.1751, 388.1752,
19 388.1753, 388.1755, 388.1756, 388.1757, 388.1758, 388.1763,
20 388.1765, 388.1766a, 388.1766b, and 388.1769a of the Michigan
21 Compiled Laws, are repealed.

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

24 (2) Sections 20 and 107e of Act No. 94 of the Public Acts of
25 1979, as added by this amendatory act, shall take immediate
26 effect.

1 Section 5. The appropriations made and the expenditures
2 authorized under this amendatory act are subject to the
3 management and budget act, Act No. 431 of the Public Acts of
4 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled
5 Laws.