



# SENATE BILL No. 1317

November 29, 1994, Introduced by Senator DE GROW and referred to the Committee on Appropriations.

A bill to amend sections 3, 6, 20, 31a, 99, 107e, and 111 of Act No. 94 of the Public Acts of 1979, entitled as amended "The state school aid act of 1979," as amended by Act No. 283 of the Public Acts of 1994, being sections 388.1603, 388.1606, 388.1620, 388.1631a, 388.1699, 388.1707e, and 388.1711 of the Michigan Compiled Laws; and to add section 23.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 3, 6, 20, 31a, 99, 107e, and 111 of Act  
2 No. 94 of the Public Acts of 1979, as amended by Act No. 283 of  
3 the Public Acts of 1994, being sections 388.1603, 388.1606,  
4 388.1620, 388.1631a, 388.1699, 388.1707e, and 388.1711 of the  
5 Michigan Compiled Laws, are amended and section 23 is added to  
6 read as follows:

1       Sec. 3. (1) "Academy membership count day" means each of  
2 the following days or, if the public school academy is not  
3 scheduled to be in session on 1 of these days, the next succeed-  
4 ing day in the school fiscal year on which the public school  
5 academy is scheduled to be in session:

6       (a) The first Friday in October.

7       (b) The first Friday in December.

8       (c) The second Friday in February.

9       (d) The third Friday in April.

10       (2) "Average daily attendance", for the purposes of comply-  
11 ing with section 1471 of subpart 5 of part 5 of chapter 1 of  
12 title I of the elementary and secondary education act, public law  
13 89-10, 20 U.S.C. 2891, means 92% of the membership as defined in  
14 section 6(4).

15       (3) "Board" means the governing body of a district or public  
16 school academy.

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

18       (5) "District" means a local school district established  
19 under part 2, 3, 4, 5, or 6 of the school code of 1976, a local  
20 act school district, or, except in sections 6(4), 6(6), 6(7), 13,  
21 20, 31a, 163(1)(c), and 163(1)(d), a public school academy. FOR  
22 1994-95 ONLY, DISTRICT ALSO INCLUDES AN INSTRUCTIONAL PROGRAM  
23 OPERATED BY A PUBLIC UNIVERSITY UNDER SECTION 23 THAT COMPLIES  
24 WITH THE REQUIREMENTS OF SECTION 23.

25       (6) "District superintendent" means the superintendent of a  
26 district, ~~or~~ the chief administrator of a public school

1 academy, OR THE CHIEF ADMINISTRATOR OF AN INSTRUCTIONAL PROGRAM  
2 OPERATED UNDER SECTION 23.

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

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

23       (b) The pupil is eligible as autistically impaired, traina-  
24 ble mentally impaired, severely mentally impaired, and severely  
25 multiply impaired.

26       (2) "District pupil retention rate" means the proportion of  
27 pupils who have not dropped out of school in the immediately

1 preceding school year and is equal to 1 minus the quotient of the  
2 number of pupils unaccounted for in the immediately preceding  
3 school year, as determined pursuant to subsection (3), divided by  
4 the pupils of the immediately preceding school year.

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

13 (4) "Membership", except as otherwise provided in this act,  
14 means the average number of full-time equated pupils in grades K  
15 to 12 actually enrolled and in regular daily attendance on the  
16 pupil membership count day for the current school year and on the  
17 supplemental count day ~~under section 6a~~ for the immediately  
18 preceding school year, as determined by the department and calcu-  
19 lated by adding the unaudited count completed by the department  
20 not later than 45 days after the pupil membership count day of  
21 the number of pupils registered for attendance plus pupils  
22 received by transfer and minus pupils lost as defined by rules  
23 promulgated by the state board, and as corrected by a subsequent  
24 department audit, plus the final audited count from the supple-  
25 mental count day for the immediately preceding school year, and  
26 dividing that sum by 2. For 1994-95 only, for a public school  
27 academy, membership means the average number of full-time equated

1 pupils in grades K-12 actually enrolled and in regular daily  
2 attendance in the public school academy on the academy membership  
3 count days, as determined by the department and calculated by  
4 averaging the unaudited count completed by the department not  
5 later than 45 days after each academy membership count day for  
6 the public school academy and as corrected by a subsequent  
7 department audit. If a pupil counted in membership in a public  
8 school academy on the December academy membership count day was  
9 previously counted in membership in a district on the immediately  
10 preceding pupil membership count day, the district's pupil mem-  
11 bership count for that pupil membership count day shall be  
12 reduced by 1/2 pupil. If a pupil counted in membership in a  
13 public school academy on the April academy membership count day  
14 was previously counted in membership in a district on the immedi-  
15 ately preceding supplemental count day, the district's supplemen-  
16 tal membership count for that supplemental count day shall be  
17 reduced by 1/2 pupil. In addition, all of the following apply to  
18 determining the membership of a district, public school academy,  
19 or intermediate district:

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

24 (b) Pupils to be counted in membership shall be not less  
25 than 5 years of age on December 1 and less than 20 years of age  
26 on September 1 of the school year except a special education  
27 pupil who is enrolled and receiving instruction in a special

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

5 (c) An individual who has obtained a high school diploma  
6 shall not be counted in membership. An individual who has  
7 obtained a general education development (G.E.D.) certificate  
8 shall not be counted in membership.

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

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

19 (f) For the purposes of this subsection, full-time equated  
20 memberships for pupils in grades 1 to 12 shall be determined by  
21 dividing the number of class hours scheduled and provided per  
22 year per pupil by 900 for 1994-95, 990 for 1995-96 and 1996-97,  
23 1,035 for 1997-98 and 1998-99, and 1,080 for 1999-2000 and suc-  
24 ceeding fiscal years. IN DETERMINING FULL-TIME EQUATED MEMBER-  
25 SHIPS FOR PUPILS WHO ARE DUALY ENROLLED IN A POSTSECONDARY  
26 INSTITUTION UNDER SECTION 21B, A PUPIL SHALL NOT BE CONSIDERED TO  
27 BE LESS THAN A FULL-TIME EQUATED PUPIL SOLELY BECAUSE OF THE

1 EFFECT OF HIS OR HER DUAL ENROLLMENT ON THE NUMBER OF CLASS HOURS  
2 PROVIDED BY THE DISTRICT TO THE PUPIL. Beginning in 1995-96,  
3 full-time equated memberships for pupils in kindergarten shall be  
4 determined by dividing the number of class hours scheduled and  
5 provided per year per kindergarten pupil by a number equal to 1/2  
6 the number used for determining full-time equated memberships for  
7 pupils in grades 1 to 12.

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

19 (H) A PUPIL ENROLLED IN A VOCATIONAL EDUCATION PROGRAM SUP-  
20 PORTED BY A MILLAGE LEVIED OVER AN AREA LARGER THAN A SINGLE DIS-  
21 TRICT OR IN AN AREA VOCATIONAL-TECHNICAL EDUCATION PROGRAM ESTAB-  
22 LISHED PURSUANT TO SECTION 690 OF THE SCHOOL CODE OF 1976, BEING  
23 SECTION 380.690 OF THE MICHIGAN COMPILED LAWS, SHALL BE COUNTED  
24 ONLY IN THE PUPIL'S DISTRICT OF RESIDENCE.

25 (I) ~~(h)~~ For 1994-95 only, if a district has individuals at  
26 least age 16 as of December 1 and less than age 20 as of  
27 September 1 of the school year who are enrolled in the district

1 in a department-approved alternative education program ~~conducted~~  
2 ~~through an adult education program~~ and who were not counted in  
3 membership in a district on the 1994 supplemental count day,  
4 ~~under section 6a,~~ the number of those individuals counted in  
5 the district's membership is the number of those individuals  
6 counted as pupils on the district's 1994 pupil membership count  
7 day only.

8 (J) FOR 1994-95 ONLY, THE MEMBERSHIP OF AN INSTRUCTIONAL  
9 PROGRAM OPERATED BY A PUBLIC UNIVERSITY UNDER SECTION 23 THAT IS  
10 FUNDED UNDER THIS ACT AS A DISTRICT SHALL BE CONSIDERED TO BE THE  
11 AVERAGE NUMBER OF FULL-TIME EQUATED PUPILS IN GRADES K TO 12  
12 ACTUALLY ENROLLED AND IN REGULAR DAILY ATTENDANCE IN THE INSTRUC-  
13 TIONAL PROGRAM ON THE PUPIL MEMBERSHIP COUNT DAY FOR THE 1993-94  
14 SCHOOL YEAR AND ON THE SUPPLEMENTAL COUNT DAY IN THE 1993-94  
15 SCHOOL YEAR, AS DETERMINED BY THE DEPARTMENT AND CALCULATED BY  
16 ADDING THE FINAL AUDITED COUNTS FOR THOSE 2 COUNT DAYS AND DIVID-  
17 ING THAT SUM BY 2.

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

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



1 attendance in the district other than their district of residence  
2 before April 1, 1981.

3 (7) "Pupil membership count day" of a district or intermedi-  
4 ate district means:

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

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

8 (i) Fourth Friday in July.

9 (ii) Fourth Friday in October.

10 (iii) Fourth Friday in January.

11 (iv) Fourth Friday in April.

12 (8) "Rule" means a rule promulgated pursuant to the adminis-  
13 trative procedures act of 1969, Act No. 306 of the Public Acts of  
14 1969, as amended, being sections 24.201 to 24.328 of the Michigan  
15 Compiled Laws.

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

19 (10) "School fiscal year" means a fiscal year which com-  
20 mences July 1 and continues through June 30.

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

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

24 (13) "Tuition pupil" means a pupil of school age attending  
25 school in a district other than the pupil's district of  
26 residence. TUITION PUPIL DOES NOT INCLUDE A PUPIL WHO IS A  
27 SPECIAL EDUCATION PUPIL; A PUPIL SERVED BY A COOPERATIVE

1 EDUCATION PROGRAM; A PUPIL SERVED BY A VOCATIONAL EDUCATION  
2 PROGRAM SUPPORTED BY A MILLAGE LEVIED OVER AN AREA LARGER THAN A  
3 SINGLE SCHOOL DISTRICT OR BY AN AREA VOCATIONAL-TECHNICAL EDUCA-  
4 TION PROGRAM ESTABLISHED PURSUANT TO SECTION 690 OF THE SCHOOL  
5 CODE OF 1976; OR A PUPIL SERVED BY AN INTERMEDIATE DISTRICT  
6 SCHOOLS OF CHOICE PILOT PROGRAM AS DESCRIBED IN FORMER  
7 SECTION 91. A pupil's district of residence shall not require a  
8 high school tuition pupil, as provided under section 111, to  
9 attend another school district after the pupil has been assigned  
10 to a school district.

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

14 (15) "Total state aid" or "total state school aid" means the  
15 total combined amount of all funds due to a district, intermedi-  
16 ate district, or other entity under all of the provisions of this  
17 act.

18 Sec. 20. (1) Except as otherwise provided in this act, from  
19 the appropriation in section 11 there is allocated for 1994-95 an  
20 amount not to exceed \$7,245,000,000.00 to guarantee each district  
21 a foundation allowance per membership pupil and to make payments  
22 under this section to public school academies. The amount of  
23 each district's foundation allowance shall be calculated as pro-  
24 vided in this section, using a basic foundation allowance for  
25 1994-95 in the amount of \$5,000.00. If the maximum amount allo-  
26 cated under this section is not sufficient to fully fund payments  
27 under this section, the amount of each district's foundation

1 allowance and the dollar amount prescribed in subsection (10)  
2 shall be prorated as necessary. This proration shall be made by  
3 reducing by an equal percentage each district's foundation allow-  
4 ance, the \$6,500.00 figure in subsection (6), and the \$5,500.00  
5 figure in subsection (10).

6 (2) For 1995-96 and each succeeding fiscal year, the basic  
7 foundation allowance shall be determined by multiplying the  
8 amount of the basic foundation allowance for the immediately pre-  
9 ceding state fiscal year by the final index calculated under this  
10 subsection. This result is the amount of the basic foundation  
11 allowance per membership pupil for the current state fiscal  
12 year. The final index to be used shall be determined as  
13 follows:

14 (a) The numerator of the fraction to be used in calculating  
15 the index is the total state school aid fund revenue for the cur-  
16 rent state fiscal year, adjusted for any change in the rate or  
17 base of a tax the proceeds of which are deposited in that fund.

18 (b) The denominator of the fraction to be used in calculat-  
19 ing the index is the total state school aid fund revenue for the  
20 immediately preceding state fiscal year, adjusted for any change  
21 in the rate or base of a tax the proceeds of which are deposited  
22 in that fund.

23 (c) The resulting revenue adjustment factor derived under  
24 subdivisions (a) and (b) shall then be adjusted by a pupil mem-  
25 bership adjustment factor. The pupil membership adjustment  
26 factor shall be computed by dividing the membership for the  
27 school year ending in the immediately preceding state fiscal year

1 by the membership for the school year ending in the current state  
2 fiscal year. This pupil adjustment factor shall be multiplied by  
3 the fraction derived under subdivisions (a) and (b) to determine  
4 the final index.

5 (3) ~~Subject to subsections (17) and (18)~~ EXCEPT AS OTHER-  
6 WISE PROVIDED IN THIS SECTION, for the 1994-95 state fiscal year,  
7 the amount of a district's foundation allowance shall be calcu-  
8 lated as follows:

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

15 (b) For a district that had combined state and local revenue  
16 per membership pupil in the 1993-94 state fiscal year of at least  
17 \$4,200.00 but less than \$6,500.00, the district's foundation  
18 allowance for 1994-95 is the sum of the district's combined state  
19 and local revenue per membership pupil in the 1993-94 state  
20 fiscal year plus [ $\$250.00 - (\$90.00 \text{ times the ratio calculated by}$   
21  $\text{subtracting } \$4,200.00 \text{ from the district's combined state and}$   
22  $\text{local revenue per membership pupil in the 1993-94 state fiscal}$   
23  $\text{year and dividing that difference by } 2,300)$ ].

24 (c) For a district that had combined state and local revenue  
25 per membership pupil in the 1993-94 state fiscal year of  
26 \$6,500.00 or more, the district's foundation allowance for

1 1994-95 is the sum of the district's combined state and local  
2 revenue per membership pupil in 1993-94 plus \$160.00.

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

13 (5) Beginning in the 1995-96 state fiscal year, ~~subject to~~  
14 ~~subsection (18)~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,  
15 the amount of a district's foundation allowance shall be calcu-  
16 lated as follows, using in all calculations the total amount of  
17 the district's foundation allowance as calculated before any  
18 proration:

19 (a) For a district that in the immediately preceding state  
20 fiscal year had a foundation allowance at least equal to the sum  
21 of \$4,200.00 plus the total dollar amount of all adjustments made  
22 from 1994-95 to the immediately preceding state fiscal year in  
23 the lowest foundation allowance among all districts pursuant to  
24 the index under subsection (2), but that did not qualify for a  
25 supplemental allowance described in subsection (4) in the immedi-  
26 ately preceding state fiscal year, the district shall receive a  
27 foundation allowance in an amount equal to the sum of the

1 district's foundation allowance for the immediately preceding  
2 state fiscal year plus the difference between twice the dollar  
3 amount of the adjustment from the immediately preceding state  
4 fiscal year to the current state fiscal year made in the basic  
5 foundation allowance pursuant to the index under subsection (2)  
6 and [(the dollar amount of the adjustment from the immediately  
7 preceding state fiscal year to the current state fiscal year made  
8 in the basic foundation allowance pursuant to the index under  
9 subsection (2) minus \$50.00) times (the difference between the  
10 district's foundation allowance for the immediately preceding  
11 state fiscal year and the sum of \$4,200.00 plus the total dollar  
12 amount of all adjustments made from 1994-95 to the immediately  
13 preceding state fiscal year in the lowest foundation allowance  
14 among all districts pursuant to the index under subsection (2))  
15 divided by the difference between the basic foundation allowance  
16 for the current state fiscal year and the sum of \$4,200.00 plus  
17 the total dollar amount of all adjustments made from 1994-95 to  
18 the immediately preceding state fiscal year in the lowest founda-  
19 tion allowance among all districts pursuant to the index under  
20 subsection (2)]. However, the foundation allowance for a dis-  
21 trict that did not qualify for a supplemental allowance described  
22 in subsection (4) in the immediately preceding state fiscal year  
23 shall not exceed the basic foundation allowance for that state  
24 fiscal year.

25 (b) For a district that in the immediately preceding state  
26 fiscal year had a foundation allowance of less than the sum of  
27 \$6,500.00 plus the total dollar amount of all adjustments made

1 since 1994-95 in the basic foundation allowance pursuant to the  
2 index under subsection (2), and that qualified for a supplemental  
3 allowance described in subsection (4) in the immediately preced-  
4 ing state fiscal year, the district shall receive a foundation  
5 allowance in an amount equal to the sum of the district's founda-  
6 tion allowance for the immediately preceding state fiscal year  
7 plus the dollar amount of the adjustment from the immediately  
8 preceding state fiscal year to the current state fiscal year made  
9 in the basic foundation allowance pursuant to the index under  
10 subsection (2).

11 (c) For a district that had combined state and local revenue  
12 per membership pupil in the 1994-95 state fiscal year of  
13 \$6,500.00 or more, the district shall receive a foundation allow-  
14 ance in an amount equal to the sum of the district's foundation  
15 allowance for the immediately preceding state fiscal year plus  
16 the dollar amount of the adjustment from the immediately preced-  
17 ing state fiscal year to the current state fiscal year in the  
18 basic foundation allowance pursuant to the index under  
19 subsection (2).

20 (6) Subject to subsection (7), to ensure that a district  
21 receives the district's foundation allowance, there is allocated  
22 to each district a state portion of the district's foundation  
23 allowance in an amount calculated under this subsection. The  
24 state portion of a district's foundation allowance is an amount  
25 equal to the district's foundation allowance or \$6,500.00, which-  
26 ever is less, minus the difference between the product of the  
27 state equalized valuation per membership pupil of all property in

1 the district that is not a homestead or qualified agricultural  
2 property times the lesser of 18 mills or the number of mills of  
3 school operating taxes levied by the district in 1993-94 and the  
4 quotient of the ad valorem property tax revenue of the district  
5 captured under Act No. 197 of the Public Acts of 1975, being  
6 sections 125.1651 to 125.1681 of the Michigan Compiled Laws, the  
7 tax increment finance authority act, Act No. 450 of the Public  
8 Acts of 1980, being sections 125.1801 to 125.1830 of the Michigan  
9 Compiled Laws, or the local development financing act, Act  
10 No. 281 of the Public Acts of 1986, being sections 125.2151 to  
11 125.2174 of the Michigan Compiled Laws, divided by the district's  
12 membership. For a district that has a millage reduction required  
13 under section 31 of article IX of the state constitution of 1963,  
14 the state portion of the district's foundation allowance shall be  
15 calculated as if that reduction did not occur.

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

25 (8) The indices to be computed under this section for each  
26 state fiscal year shall be a topic of each revenue estimating  
27 conference conducted under section 367b of the management and



1 budget act, Act No. 431 of the Public Acts of 1984, being  
2 section 18.1367b of the Michigan Compiled Laws. If a revenue  
3 estimating conference fails to reach a consensus on the estimate  
4 of an index, the state treasurer shall compute an estimated index  
5 and certify it to the director of the department of management  
6 and budget and the superintendent of public instruction. The  
7 state treasurer also shall compute a final index for each fiscal  
8 year, based upon available data, and certify the final index to  
9 the director of the department of management and budget and the  
10 superintendent of public instruction not later than 120 days fol-  
11 lowing the end of that fiscal year. If the final certified index  
12 for a fiscal year differs from the estimated index used in the  
13 adoption of the state budget for the fiscal year and used during  
14 the fiscal year as the basis for making payments under this act,  
15 the department shall make any necessary payment adjustments to  
16 reflect the final certified index.

17       (9) ~~For~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,  
18 FOR a pupil in membership in a district other than the pupil's  
19 district of residence, the allocation under this section shall be  
20 based on the lesser of the foundation allowance of the district  
21 of residence or the foundation allowance of the district of  
22 enrollment. FOR A PUPIL RECEIVING HIS OR HER INSTRUCTION IN A  
23 COOPERATIVE EDUCATION PROGRAM OPERATING AS OF THE PUPIL MEMBER-  
24 SHIP COUNT DAY OF THE 1994-95 STATE FISCAL YEAR PURSUANT TO A  
25 WRITTEN AGREEMENT ENTERED INTO BEFORE THAT DATE, THE ALLOCATION  
26 UNDER THIS SECTION SHALL BE BASED ON THE FOUNDATION ALLOWANCE OF  
27 THE EDUCATING DISTRICT.

1       (10) Subject to subsection (11), for pupils in membership in  
2 a public school academy OR IN MEMBERSHIP IN AN INSTRUCTIONAL PRO-  
3 GRAM OPERATED BY A PUBLIC UNIVERSITY UNDER SECTION 23 THAT IS  
4 FUNDED UNDER THIS ACT AS A DISTRICT, there is allocated under  
5 this section for 1994-95 to the authorizing body that is the  
6 fiscal agent for a public school academy for forwarding to the  
7 public school academy, OR TO THE BOARD OF THE PUBLIC UNIVERSITY  
8 OPERATING THE INSTRUCTIONAL PROGRAM, an amount per membership  
9 pupil in the public school academy OR INSTRUCTIONAL PROGRAM equal  
10 to the sum of the local school operating revenue per membership  
11 pupil for the district in which the public school academy OR  
12 INSTRUCTIONAL PROGRAM is located and the state portion of that  
13 district's foundation allowance, or \$5,500.00, whichever is  
14 less. For 1995-96 and each succeeding fiscal year, the \$5,500.00  
15 amount prescribed in this subsection shall be adjusted by an  
16 amount equal to the dollar amount of the adjustment from the  
17 immediately preceding state fiscal year to the current state  
18 fiscal year in the basic foundation allowance pursuant to the  
19 index under subsection (2), as determined by the department of  
20 treasury.

21       (11) If more than 25% of the pupils residing within a dis-  
22 trict are in membership in a public school academy located in the  
23 district, then the amount per membership pupil allocated under  
24 this section to the authorizing body that is the fiscal agent for  
25 a public school academy located in the district for forwarding to  
26 the public school academy shall be reduced by an amount equal to  
27 the local school operating revenue per membership pupil in the

1 school fiscal year ending in the current state fiscal year,  
2 calculated as if the resident pupils in membership in a public  
3 school academy located in the district were in membership in the  
4 district. In order to receive state school aid under this act, a  
5 district described in this subsection shall pay to the authoriz-  
6 ing body that is the fiscal agent for a public school academy  
7 located in the district for forwarding to the public school acad-  
8 emy an amount equal to that local school operating revenue per  
9 membership pupil for each resident pupil in membership in the  
10 public school academy, as determined by the department.

11 (12) If a district had combined state and local revenue per  
12 membership pupil in the 1994-95 state fiscal year of more than  
13 \$6,500.00, the district may reduce the number of mills from which  
14 a homestead and qualified agricultural property are exempt and  
15 levy school operating taxes on a homestead and qualified agricul-  
16 tural property as provided in section 1211 of the school code of  
17 1976, being section 380.1211 of the Michigan Compiled Laws.  
18 However, if the district does not receive a payment under subsec-  
19 tion (13), if the number of mills a district described in this  
20 subsection may levy on a homestead and qualified agricultural  
21 property is 0.5 mills or less, and if the district elects not to  
22 levy those mills, the district instead shall receive a separate  
23 supplemental payment under this subsection in an amount equal to  
24 the amount the district would have received had it levied those  
25 mills, as determined by the department of treasury. A district  
26 shall not receive a separate supplemental payment under this  
27 subsection for a fiscal year unless in the calendar year ending

1 in the fiscal year the district levies 18 mills or the number of  
2 mills of school operating taxes levied by the district in 1993,  
3 whichever is less, on property that is not a homestead or quali-  
4 fied agricultural property.

5       (13) For a district that had combined state and local reve-  
6 nue per membership pupil in the 1993-94 state fiscal year of more  
7 than \$6,500.00 and that had fewer than 350 pupils in membership,  
8 if the district elects not to reduce the number of mills from  
9 which a homestead and qualified agricultural property are exempt  
10 and not to levy school operating taxes on a homestead and quali-  
11 fied agricultural property as provided in section 1211 of the  
12 school code of 1976, there is allocated under this subsection for  
13 1994-95 and each succeeding fiscal year a separate supplemental  
14 payment in an amount equal to the amount the district would have  
15 received per membership pupil had it levied school operating  
16 taxes on a homestead and qualified agricultural property at the  
17 rate authorized for the district under section 1211 of the school  
18 code of 1976, as determined by the department of treasury. A  
19 district shall not receive a separate supplemental payment under  
20 this subsection for a fiscal year unless in the calendar year  
21 ending in the fiscal year the district levies 18 mills or the  
22 number of mills of school operating taxes levied by the district  
23 in 1993, whichever is less, on property that is not a homestead  
24 or qualified agricultural property.

25       (14) State allocations to a district or public school acad-  
26 emy under this section shall be adjusted by subtracting from the  
27 allocations the lesser of an amount equal to 50% of the money

1 received under section 3(c)(1) of title I of chapter 1124, 64  
2 Stat. 1100, 20 U.S.C. 238, or \$160.00 per membership pupil. A  
3 deduction in any year shall not exceed the amount of deductible  
4 impact aid for which a district is eligible under section 3(c)(1)  
5 of title I of chapter 1124, 64 Stat. 1100, 20 U.S.C. 238. Any  
6 deductions made under this act shall be consistent with the  
7 requirements of section 5 of title I of chapter 1124, 64  
8 Stat. 1100, 20 U.S.C. 240, and its regulations.

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

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

15       (17) For the purposes of calculating the amount of a  
16 district's foundation allowance for 1994-95 under this section,  
17 if a district's combined state and local revenue per membership  
18 pupil in the 1992-93 state fiscal year was greater than the  
19 district's combined state and local revenue per membership pupil  
20 in the 1993-94 state fiscal year, the amount of the district's  
21 combined state and local revenue per membership pupil in the  
22 1993-94 state fiscal year shall be considered to be an amount  
23 equal to 1/2 of the sum of the district's combined state and  
24 local revenue per membership pupil in the 1993-94 state fiscal  
25 year plus the district's combined state and local revenue per  
26 membership pupil in the 1992-93 state fiscal year. In order to  
27 calculate a district's combined state and local revenue per

1 membership pupil in the 1992-93 state fiscal year, all references  
2 in subsection ~~-(20)-~~ (21) to "1993-94" shall be considered to  
3 read "1992-93" and all references in subsection ~~-(20)-~~ (21) to an  
4 August payment for a particular year shall be considered to be  
5 ~~to~~ the August payment for the immediately preceding year but  
6 the definition of membership to be used is the definition of mem-  
7 bership in effect for 1993-94 under section 6.

8       (18) For a district that is formed or reconfigured after  
9 June 1, 1994 by consolidation of 2 or more districts or by annex-  
10 ation, the resulting district's foundation allowance under this  
11 section shall be the average of the foundation allowances of each  
12 of the original or affected districts, calculated as provided in  
13 this section, weighted as to the percentage of pupils in total  
14 membership in the resulting district who reside in the geographic  
15 area of each of the original districts. If an affected  
16 district's foundation allowance is less than the basic foundation  
17 allowance, as adjusted under subsection (2), the amount of that  
18 district's foundation allowance shall be considered for the pur-  
19 pose of calculations under this subsection to be equal to the  
20 amount of the basic foundation allowance.

21       (19) FOR A CONSORTIUM THAT MEETS THE REQUIREMENTS OF THIS  
22 SUBSECTION, THE FOUNDATION ALLOWANCE UNDER THIS SECTION SHALL BE  
23 THE AVERAGE OF THE FOUNDATION ALLOWANCES OF EACH OF THE MEMBER  
24 DISTRICTS, CALCULATED AS PROVIDED IN THIS SECTION, WEIGHTED AS TO  
25 THE PERCENTAGE OF PUPILS IN TOTAL MEMBERSHIP IN THE CONSORTIUM  
26 WHO RESIDE IN THE GEOGRAPHIC AREA OF EACH OF THE MEMBER  
27 DISTRICTS. IF A MEMBER DISTRICT'S FOUNDATION ALLOWANCE IS LESS

1 THAN THE BASIC FOUNDATION ALLOWANCE, AS ADJUSTED UNDER  
 2 SUBSECTION (2), THE AMOUNT OF THAT DISTRICT'S FOUNDATION ALLOW-  
 3 ANCE SHALL BE CONSIDERED FOR THE PURPOSE OF CALCULATIONS UNDER  
 4 THIS SUBSECTION TO BE EQUAL TO THE AMOUNT OF THE BASIC FOUNDATION  
 5 ALLOWANCE. HOWEVER, THE TOTAL STATEWIDE AMOUNT OF ADDITIONAL  
 6 FUNDING RESULTING FROM THIS SUBSECTION SHALL NOT EXCEED  
 7 \$500,000.00 FOR 1994-95, AND THE FOUNDATION ALLOWANCES OF CONSOR-  
 8 TIA SUBJECT TO THIS SUBSECTION SHALL BE ADJUSTED AS NECESSARY TO  
 9 REMAIN WITHIN THAT MAXIMUM AMOUNT. TO BE SUBJECT TO THIS SUBSEC-  
 10 TION, A CONSORTIUM MUST MEET ALL OF THE FOLLOWING REQUIREMENTS:

11 (A) CONSIST OF AT LEAST 3 CONTIGUOUS MEMBER DISTRICTS OF A  
 12 SINGLE INTERMEDIATE DISTRICT THAT HAS A COMBINED TOTAL OF LESS  
 13 THAN 5,000 PUPILS IN ALL OF ITS CONSTITUENT DISTRICTS.

14 (B) HAVE BEEN CREATED PURSUANT TO LAW.

15 (C) PROVIDE AT LEAST ALL OF THE FOLLOWING SERVICES TO ITS  
 16 MEMBER DISTRICTS:

17 (i) MANAGEMENT AND BUDGET SERVICES.

18 (ii) STAFF RECRUITMENT, ALLIED MANAGEMENT, CONSULTANT, AND  
 19 SUPERVISORY SERVICES.

20 (iii) INTEGRATED CURRICULUM PLANNING AND COURSE OFFERINGS.

21 (iv) MANAGEMENT AND MAINTENANCE OF PHYSICAL PLANT AND  
 22 TRANSPORTATION.

23 (v) PUPIL INSTRUCTION AT SITES ANYWHERE WITHIN THE CONSOR-  
 24 TIUM AREA.

25 (20) ~~(19)~~ All fractions used in making calculations under  
 26 this section shall be rounded to the fourth decimal place and the

1 dollar amount of an increase in a foundation allowance shall be  
2 rounded to the nearest whole dollar.

3 (21) ~~-(20)-~~ As used in this section:

4 (a) "Combined state and local revenue per membership pupil",  
5 except as provided in this subsection, means the aggregate of the  
6 district's state school aid received by or paid on behalf of the  
7 district under this section, except for payments received because  
8 of an adjustment in the district's state school aid for a prior  
9 fiscal year, and the district's local school operating revenue,  
10 divided by the district's membership. For the purpose of calcu-  
11 lating a district's combined state and local revenue per member-  
12 ship pupil in the 1994-95 state fiscal year only, combined state  
13 and local revenue per membership pupil does not include the pay-  
14 ment received by the district under section 20c. For the purpose  
15 of calculating a district's combined state and local revenue per  
16 membership pupil in the 1993-94 state fiscal year only, combined  
17 state and local revenue per membership pupil means the aggregate  
18 of the following, divided by the number of full-time equated  
19 pupils in grades K to 12 actually enrolled and in regular daily  
20 attendance on the 1993-94 pupil membership count day, as deter-  
21 mined by the department using the unaudited count completed by  
22 the department not later than 60 days after the pupil membership  
23 count day or the number of pupils registered for attendance plus  
24 pupils received by transfer and minus pupils lost as defined by  
25 rules promulgated by the state board, and as corrected by a sub-  
26 sequent department audit:



1 (i) Total state school aid received by or paid on behalf of  
2 the district pursuant to this act in 1993-94, including the  
3 amount of a district's August 1994 payment delayed under section  
4 17b and excluding payments received because of an adjustment in  
5 the district's state school aid for a prior fiscal year and all  
6 of the following received by the district for 1993-94:

7 (A) Money received by the district under section 17b for  
8 restoring the delayed August 1993 payment.

9 (B) Early childhood grants under section 36.

10 (C) All special education payments under article 5.

11 (D) Special education transportation under former section  
12 71, as calculated under former section 72.

13 (E) Federal impact aid adjustments under former section  
14 21(3).

15 (F) Economic development job training grant payments under  
16 section 107a.

17 (G) Edge program payments under section 107b.

18 (H) Adult literacy grant payments under former  
19 section 107c.

20 (I) Adult education categorical payments under former  
21 section 107d.

22 (J) Payments under former section 28 to a district in which  
23 a federal military air base closed.

24 (K) Bilingual education payments under section 41.

25 (L) Payments for court placed pupils under section 24(2).

26 (M) Payments for grants under former section 98a.

1 (N) Mathematics and science center payments under section  
2 99.

3 (O) Repayments attributable to the repeal of part 7a of the  
4 school code of 1976.

5 (P) Payments under section 145 for costs of court-ordered  
6 desegregation.

7 (Q) For a district that had combined state and local revenue  
8 per membership pupil in the 1993-94 state fiscal year of less  
9 than \$6,500.00 AND THAT RECEIVED PAYMENTS UNDER FORMER SECTION 27  
10 IN 1993-94, an amount equal to compensatory education payments  
11 under former section 31. FOR A DISTRICT THAT HAD COMBINED STATE  
12 AND LOCAL REVENUE PER MEMBERSHIP PUPIL IN THE 1993-94 STATE  
13 FISCAL YEAR OF LESS THAN \$6,500.00 AND THAT DID NOT RECEIVE ANY  
14 PAYMENTS UNDER FORMER SECTION 27 IN 1993-94, AN AMOUNT EQUAL TO  
15 40% OF COMPENSATORY EDUCATION PAYMENTS UNDER FORMER SECTION 31.

16 (R) Professional development payments under former section  
17 98.

18 (S) Payments under former section 11a(6).

19 (T) For a district that had a deduction in 1993-94 under  
20 former section 21(5) that was greater than the district's deduc-  
21 tion in 1992-93 under former section 21(5), an amount equal to  
22 50% of the increase in the district's deduction from 1992-93 to  
23 1993-94 under former section 21(5).

24 (U) Payments made under former section 146 and under  
25 section 147 on behalf of the district's employees who provided  
26 direct services for intermediate district center programs  
27 operated by the district under article 5.

1 (V) Adjustments under sections 101 and 164.

2 (W) An amount equal to 50% of payments under former  
3 section 47(3).

4 (X) Except for a district that served as the fiscal agent  
5 for a vocational education consortium in the 1993-94 school year,  
6 vocational education payments under former section 61.

7 (ii) Local school operating revenue for 1993-94.

8 (iii) Eligible fund equity expenditures for 1993-94.

9 (iv) The amount of transportation funding under article 7  
10 paid to an intermediate district that is attributable to trans-  
11 portation services provided in 1993-94 by the intermediate dis-  
12 trict for the district's pupils within the district, based on a  
13 report submitted not later than May 15, 1994 to the department of  
14 treasury by the intermediate district detailing the number of  
15 pupils within each district for whom the intermediate district  
16 provided those transportation services.

17 (v) An amount equal to 50% of the amount of funding under  
18 former section 47(3) for gifted and talented programs paid to an  
19 intermediate district that is attributable to services provided  
20 in 1993-94 by the intermediate district for the district's pupils  
21 within the district, based on a report submitted not later than  
22 May 27, 1994 to the department of treasury by the intermediate  
23 district detailing the number of pupils within each district for  
24 whom the intermediate district provided those services. However,  
25 the amount included under this subparagraph for a district shall  
26 be reduced by a percentage equal to the percentage of the

1 district's deduction, if any, under former section 21(5) for  
2 1993-94.

3 (b) "Current state fiscal year" means the state fiscal year  
4 for which a particular calculation is made.

5 (c) "Eligible fund equity expenditures for 1993-94" means an  
6 amount, calculated by the department of treasury, equal to the  
7 district's budgeted expenditures from the district's fund equity  
8 for 1993-94, as provided for in the district's official board  
9 adopted budget as of December 31, 1993 and reported to the  
10 department of treasury not later than May 27, 1994, and as  
11 adjusted not later than June 6, 1994, prorated on an equal per-  
12 centage basis so that the total statewide amount of eligible fund  
13 equity expenditures for 1993-94 does not exceed \$30,000,000.00.

14 (d) "Homestead" means that term as defined in section 1211  
15 of the school code of 1976, being section 380.1211 of the  
16 Michigan Compiled Laws.

17 (e) "Immediately preceding state fiscal year" means the  
18 state fiscal year immediately preceding the current state fiscal  
19 year.

20 (f) "Local school operating revenue" means, subject to sub-  
21 division (a), school operating taxes levied under section 1211 of  
22 the school code of 1976. For calculating a district's local  
23 school operating revenue for 1993-94, local school operating rev-  
24 enue includes school operating taxes for the 1993-94 school  
25 fiscal year, but does not include a district's revenue from money  
26 received by the district in the 1993-94 school fiscal year from  
27 federal impact aid under section 3(c)(1) of title I of chapter

1 1124, 64 Stat. 1100, 20 U.S.C. 238; from federal payments in lieu  
2 of taxes; or from penalties and interest on delinquent property  
3 and specific taxes. For calculating a district's local school  
4 operating revenue for 1993-94 only, local school operating reve-  
5 nue includes all of the following specific tax revenue levied and  
6 retained by the district for school operating purposes for the  
7 1993-94 school fiscal year that was reported to the department of  
8 treasury not later than February 1, 1994, as corrected by subse-  
9 quent department of treasury audit, prorated so that the total  
10 statewide amount of the following specific tax revenue included  
11 in local school operating revenue does not exceed  
12 \$85,000,000.00:

13 (i) Industrial facilities tax levied under section 11 of Act  
14 No. 198 of the Public Acts of 1974, being section 207.561 of the  
15 Michigan Compiled Laws, and retained by the district.

16 (ii) Commercial facilities tax levied under section 12 of  
17 the commercial redevelopment act, Act No. 255 of the Public Acts  
18 of 1978, being section 207.662 of the Michigan Compiled Laws, and  
19 retained by the district.

20 (iii) 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, retained by the district.

23 (iv) Technology park facilities tax levied under section 12  
24 of the technology park development act, Act No. 385 of the Public  
25 Acts of 1984, being section 207.712 of the Michigan Compiled  
26 Laws, and retained by the district.

1 (v) Enterprise zone facilities tax levied under section 21  
2 of the enterprise zone act, Act No. 224 of the Public Acts of  
3 1985, being section 125.2121 of the Michigan Compiled Laws, and  
4 retained by the district.

5 (vi) Neighborhood enterprise zone tax levied under section 9  
6 of the neighborhood enterprise zone act, Act No. 147 of the  
7 Public Acts of 1992, being section 207.779 of the Michigan  
8 Compiled Laws, and retained by the district.

9 (vii) Commercial housing facilities tax levied pursuant to  
10 Act No. 438 of the Public Acts of 1976, being sections 207.601 to  
11 207.615 of the Michigan Compiled Laws, and retained by the  
12 district.

13 (viii) The specific tax relating to trailer coach parks  
14 levied under section 41 of Act No. 243 of the Public Acts of  
15 1959, being section 125.1041 of the Michigan Compiled Laws, and  
16 retained by the district.

17 (ix) Revenue received by the district from fees or taxes on  
18 private forest preserves pursuant to section 11 of Act No. 86 of  
19 the Public Acts of 1917, being section 320.281 of the Michigan  
20 Compiled Laws.

21 (x) Specific tax on low grade iron ore levied under Act  
22 No. 77 of the Public Acts of 1951, being sections 211.621 to  
23 211.626 of the Michigan Compiled Laws, and retained by the  
24 district.

25 (xi) Revenue received by the district from state payments in  
26 lieu of taxes under section 1 of Act No. 116 of the Public Acts  
27 of 1917, being section 211.581 of the Michigan Compiled Laws.

1       (xii) Revenue received by the district from state payments  
2 in lieu of taxes under section 7d of the general property tax  
3 act, Act No. 206 of the Public Acts of 1893, being section 211.7d  
4 of the Michigan Compiled Laws.

5       (xiii) Revenue received by the district from payments in  
6 lieu of taxes under section 15a of the state housing development  
7 authority act of 1966, Act No. 346 of the Public Acts of 1966,  
8 being section 125.1415a of the Michigan Compiled Laws.

9       (g) "Local school operating revenue per membership pupil"  
10 means a district's local school operating revenue divided by the  
11 district's membership.

12       (h) "Membership" means, except as otherwise provided in sub-  
13 division (a), the definition of that term under section 6(4) as  
14 in effect for the particular fiscal year for which a particular  
15 calculation is made.

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

18       (j) "School operating purposes" means the purposes included  
19 in the operation costs of the district as prescribed in  
20 section 7.

21       (k) "School operating taxes" means local ad valorem property  
22 taxes levied and retained for school operating purposes. For  
23 determining a district's school operating taxes for 1993-94,  
24 school operating taxes does not include any of the following:

25       (i) The number of mills of property tax levied in 1993 by a  
26 district for payment of principal or interest on notes or bonds  
27 issued to fund an operating deficit pursuant to section 1356 of

1 the school code of 1976, being section 380.1356 of the Michigan  
2 Compiled Laws.

3 (ii) The number of mills of property taxes levied in 1993 by  
4 a district for operating a community college under part 25 of the  
5 school code of 1976, being sections 380.1601 to 380.1607 of the  
6 Michigan Compiled Laws, as reported by the district to the  
7 department for the purpose of compiling the activity classifica-  
8 tion structure data under section 204 of Act No. 163 of the  
9 Public Acts of 1993.

10 (iii) The number of mills of property taxes levied in 1993  
11 by a district that is a school district of the first class that  
12 are attributable to payments by the district to a public library  
13 commission pursuant to section 11(d) of the property tax limita-  
14 tion act, Act No. 62 of the Public Acts of 1933, being  
15 section 211.211 of the Michigan Compiled Laws.

16 (iv) The number of mills of property taxes levied in 1993 by  
17 a district for the operation of a library established pursuant to  
18 Act No. 261 of the Public Acts of 1913, being sections 397.261 to  
19 397.262 of the Michigan Compiled Laws, or levied in 1993 by a  
20 district for operation of a library under section 260 or 1451 of  
21 the school code of 1976, being sections 380.260 and 380.1451 of  
22 the Michigan Compiled Laws, that were not included in the operat-  
23 ing millage reported by the district to the department as of  
24 April 1, 1993. However, a district may report to the department  
25 not later than April 1, 1994 the number of mills the district  
26 levied in 1993 for a purpose described in this subparagraph that  
27 the district does not want considered as operating millage and



1 then that number of mills is excluded from school operating taxes  
2 for the purposes of this section but that exclusion shall not  
3 affect a district's 1993-94 allocation under this act.

4 (v) The number of mills of property taxes levied in 1993 by  
5 a district under section 1212 of the school code of 1976, being  
6 section 380.1212 of the Michigan Compiled Laws.

7 (vi) The number of mills levied in 1993 for operation of a  
8 community swimming pool for which the district had separate  
9 approval of the school electors before 1994. If a district  
10 included the millage it levied in 1993 for operation of a commu-  
11 nity swimming pool as part of its operating millage reported to  
12 the department for 1993, the district may report to the depart-  
13 ment not later than June 16, 1994 the number of mills it levied  
14 in 1993 for operation of a community swimming pool that the dis-  
15 trict does not want considered as operating millage and then that  
16 number of mills is excluded from school operating taxes for the  
17 purposes of this section. Exclusion of millage under this sub-  
18 paragraph shall not affect a district's 1993-94 allocation under  
19 this act.

20 (1) "State equalized valuation per membership pupil" means  
21 state equalized valuation, as certified by the department of  
22 treasury, for the calendar year ending in the current state  
23 fiscal year divided by the district's membership for the school  
24 year ending in the current state fiscal year.

25 SEC. 23. (1) FOR 1994-95 ONLY, AN INSTRUCTIONAL PROGRAM  
26 OPERATED UNDER THIS SECTION BY A PUBLIC UNIVERSITY FOR PUPILS IN  
27 GRADES K-6, 6-8, OR 9-12, OR A COMBINATION OF THOSE GRADES, MAY

1 BE FUNDED UNDER THIS ACT AS A DISTRICT IF ALL OF THE FOLLOWING  
2 REQUIREMENTS ARE MET:

3 (A) THE PUBLIC UNIVERSITY SUBMITTED AN APPLICATION TO THE  
4 DEPARTMENT IN A PRIOR FISCAL YEAR UNDER FORMER SECTION 23C IN THE  
5 FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. THE APPLICATION  
6 SHALL HAVE INCLUDED AT LEAST ALL OF THE FOLLOWING:

7 (i) IDENTIFICATION OF THE PROPOSED GRADE LEVELS FOR WHICH  
8 THE UNIVERSITY PLANNED TO OPERATE AN INSTRUCTIONAL PROGRAM.

9 (ii) IDENTIFICATION OF THE DISTRICTS FROM WHICH PUPILS WOULD  
10 BE ELIGIBLE TO ATTEND THE INSTRUCTIONAL PROGRAM.

11 (iii) A DESCRIPTION OF THE PROCESS FOR THE RANDOM SELECTION  
12 OF PUPILS FOR ENROLLMENT.

13 (iv) A DESCRIPTION OF THE PROPOSED CURRICULUM FEATURES THAT  
14 WOULD BE GIVEN HIGHEST PRIORITY IN THE INSTRUCTIONAL PROGRAM.

15 (B) THE INSTRUCTIONAL PROGRAM WAS IMPLEMENTED IN THE 1993-94  
16 SCHOOL YEAR UNDER FORMER SECTION 23C.

17 (C) THE INSTRUCTIONAL PROGRAM COMPLIES WITH THE REQUIREMENTS  
18 OF SECTIONS 1204A, 1277, 1278, AND 1280 OF THE SCHOOL CODE OF  
19 1976, BEING SECTIONS 380.1204A, 380.1277, 380.1278, AND 380.1280  
20 OF THE MICHIGAN COMPILED LAWS, COMMONLY REFERRED TO AS "PUBLIC  
21 ACT 25 OF 1990".

22 (2) AN INSTRUCTIONAL PROGRAM OPERATED UNDER THIS SECTION IS  
23 ELIGIBLE IN THE SAME MANNER AS A DISTRICT FOR ALL APPLICABLE CAT-  
24 EGORICAL AND FEDERAL AID.

25 (3) AN EMPLOYEE OF A PUBLIC UNIVERSITY EMPLOYED IN AN  
26 INSTRUCTIONAL PROGRAM OPERATED UNDER THIS SECTION IS NOT AN  
27 EMPLOYEE OF A SCHOOL DISTRICT FOR PURPOSES OF ACT NO. 4 OF THE

1 PUBLIC ACTS OF THE EXTRA SESSION OF 1937, BEING SECTIONS 38.71 TO  
2 38.191 OF THE MICHIGAN COMPILED LAWS.

3 (4) AN EMPLOYEE OF A PUBLIC UNIVERSITY EMPLOYED IN AN  
4 INSTRUCTIONAL PROGRAM OPERATED UNDER THIS SECTION IS NOT ELIGIBLE  
5 TO BE A MEMBER OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM  
6 ESTABLISHED BY THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF  
7 1979, ACT NO. 300 OF THE PUBLIC ACTS OF 1980, BEING SECTIONS  
8 38.1301 TO 38.1408 OF THE MICHIGAN COMPILED LAWS, UNLESS OTHER  
9 EMPLOYEES OF THE UNIVERSITY ARE ELIGIBLE FOR MEMBERSHIP IN THAT  
10 RETIREMENT SYSTEM.

11 Sec. 31a. (1) From the appropriation in section 11, there  
12 is allocated for 1994-95 an amount not to exceed \$230,000,000.00  
13 for payments to eligible applicant districts and eligible appli-  
14 cant public school academies under this section. ~~Eligible~~ FOR  
15 1994-95 ONLY, THE AMOUNT OF THE ADDITIONAL ALLOWANCE TO ELIGIBLE  
16 districts and eligible public school academies ~~shall receive an~~  
17 ~~additional allowance~~ under this section SHALL BE based on the  
18 number of ~~pupils~~ INDIVIDUALS ENROLLED IN EDUCATIONAL PROGRAMS  
19 in the district or public school academy, WHETHER OR NOT AN INDI-  
20 VIDUAL IS COUNTED AS A PUPIL, who meet the income eligibility  
21 criteria for free lunch, as determined under the national school  
22 lunch act, chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to 1753,  
23 1755 to 1761, 1762a, 1765 to 1766a, and 1769 to 1769e, AND  
24 REPORTED TO THE DEPARTMENT BY OCTOBER 31. BEGINNING IN 1995-96,  
25 THE AMOUNT OF THE ADDITIONAL ALLOWANCE UNDER THIS SECTION SHALL  
26 BE BASED ON THE NUMBER OF ACTUAL PUPILS IN MEMBERSHIP IN THE  
27 DISTRICT OR PUBLIC SCHOOL ACADEMY WHO MET THOSE CRITERIA IN THE

1 IMMEDIATELY PRECEDING FISCAL YEAR, AS DETERMINED UNDER THE  
2 NATIONAL SCHOOL LUNCH ACT AND REPORTED TO THE DEPARTMENT BY  
3 OCTOBER 31 OF THE CURRENT FISCAL YEAR.

4 (2) To be eligible to receive funding under this section, a  
5 district shall apply to the department, in a form and manner pre-  
6 scribed by the department, and the district must meet all of the  
7 following:

8 (a) The district's combined state and local revenue per mem-  
9 bership pupil in the 1994-95 state fiscal year, as calculated  
10 under section 20, is less than \$6,500.00.

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

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

20 (4) An eligible district or eligible public school academy  
21 shall receive under this section for each membership pupil in the  
22 district or public school academy who meets the income eligibil-  
23 ity criteria for free lunch, as determined under the national  
24 school lunch act and as reported to the department by October 31  
25 and adjusted not later than December 31, an amount per pupil  
26 equal to 11.5% of the district's foundation allowance or of the  
27 public school academy's per membership pupil allocation under

1 section 20(10) for the current state fiscal year. HOWEVER, FOR  
2 1994-95 ONLY, AN ELIGIBLE DISTRICT OR ELIGIBLE PUBLIC SCHOOL  
3 ACADEMY SHALL RECEIVE THE AMOUNT SPECIFIED UNDER THIS SUBSECTION  
4 FOR EACH INDIVIDUAL ENROLLED IN AN EDUCATIONAL PROGRAM IN THE  
5 DISTRICT OR PUBLIC SCHOOL ACADEMY, WHETHER OR NOT THE INDIVIDUAL  
6 IS COUNTED AS A PUPIL, WHO MEETS THOSE CRITERIA. Until receipt of  
7 October 31, 1994 data, the department shall make estimated pay-  
8 ments under this section using final adjusted data for October  
9 31, 1993.

10 (5) Subject to subsections (8) and (9), a district or public  
11 school academy receiving funding under this section shall use  
12 that money only to provide instructional programs and direct non-  
13 instructional services, including, but not limited to, medical or  
14 counseling services, for at-risk pupils and for the purposes of  
15 subsection (6) and shall not use any of that money for adminis-  
16 trative costs or, except as otherwise provided in this subsec-  
17 tion, to supplant funds, except for funds received in 1993-94  
18 under former section 27 or former section 31, already being used  
19 by the district for at-risk pupils. A district may use a percen-  
20 tage, determined by dividing the number of ~~pupils in the dis-~~  
21 ~~trict who meet the income eligibility criteria for free lunch~~  
22 ~~described in subsection (1)~~ INDIVIDUALS FOR WHOM THE DISTRICT  
23 RECEIVES AN ALLOCATION UNDER SUBSECTION (4) by the district's  
24 membership, of the funds received under this section to replace  
25 sources of revenue dedicated to at-risk pupils in 1993-94. The  
26 instruction or direct noninstructional services provided under  
27 this section may be conducted before or after regular school

1 hours or by adding extra school days to the school year and may  
2 be conducted using a tutorial method, with paraprofessionals  
3 working under the supervision of a certificated teacher. The  
4 ratio of pupils to paraprofessionals shall be between 10:1 and  
5 15:1. Only 1 certificated teacher is required to supervise  
6 instruction using a tutorial method.

7       (6) A district or public school academy that receives funds  
8 under this section and that operates a school breakfast program  
9 under section 1272a of the school code of 1976, being  
10 section 380.1272a of the Michigan Compiled Laws, shall use from  
11 those funds an amount, not to exceed \$10.00 per pupil for whom  
12 the district or public school academy receives funds under this  
13 section, necessary to operate the school breakfast program.

14       (7) A district or public school academy receiving funding  
15 under this section shall provide accountability for the program  
16 by submitting a report, not to exceed 10 pages, of the district's  
17 or public school academy's expenditures under this section to the  
18 department. The report shall specify the amount of funds  
19 received and expended under this section, the amount of funds  
20 expended in 1993-94 for at-risk pupils, the amount of funds  
21 received under this section expended by the district or public  
22 school academy on migrant pupils, and the percentage of the total  
23 amount of funds received under this section by the district or  
24 public school academy that are expended by the district or public  
25 school academy on migrant pupils.

26       (8) Subject to subsection (6), any district may use up to  
27 100% of the funds it receives under this section to reduce the

1 ratio of pupils to teachers in grades K-6, or any combination of  
2 those grades, in school buildings in which the percentage of  
3 pupils described in subsection (1) exceeds the district's aggre-  
4 gate percentage of those pupils.

5 (9) As a pilot project for a period of 3 fiscal years, a  
6 district that is located in a county with a population of more  
7 than 350,000 and less than 480,000 and that has more than 10,000  
8 pupils in membership shall expend funds received under this sec-  
9 tion, other than the amount described in subsection (6), attrib-  
10 utable to pupils enrolled in grades K-3 for the purpose of reduc-  
11 ing class size in grades K-3 in the district to an average of not  
12 more than 17 pupils per class, with not more than 19 pupils in  
13 any particular class, in each school building in the district in  
14 which pupils described in subsection (1) constitute a specified  
15 percentage of the total number of pupils in the building. That  
16 specified percentage is as follows:

17 (a) For the 1994-95 school year, 59%.

18 (b) For the 1995-96 school year, 50%.

19 (c) For the 1996-97 school year, 25%.

20 (10) As used in this section, "at-risk pupil" means a pupil  
21 for whom the district has documentation that the pupil meets at  
22 least 2 of the following criteria: is a victim of child abuse or  
23 neglect; is below grade level in English language and communica-  
24 tion skills; is a pregnant teenager or teenage parent; is eligi-  
25 ble for a federal free or reduced-price lunch subsidy; has atypi-  
26 cal behavior or attendance patterns; or has a family history of  
27 school failure, incarceration, or substance abuse. For pupils

1 for whom the results of at least the applicable MEAP test have  
2 been received, at-risk pupil also includes a pupil who does not  
3 meet the other criteria under this subsection but who has  
4 received less than category 2 on the most recent MEAP reading  
5 test for which results for the pupil have been received, less  
6 than 50% of the objectives on the most recent MEAP mathematics  
7 test for which results for the pupil have been received, or less  
8 than 50% of the objectives on the most recent MEAP science test  
9 for which results for the pupil have been received.

10       Sec. 99. (1) From the general fund/general purpose appro-  
11 priation in section 11, there is allocated an amount not to  
12 exceed \$6,240,000.00 for 1994-95 for implementing the comprehen-  
13 sive master plan for mathematics and science centers developed by  
14 the department and approved by the state board on February 17,  
15 1993.

16       (2) Within a service area designated locally, approved by  
17 the department, and consistent with the master plan described in  
18 subsection (1), an established mathematics and science center  
19 described in subsection (6)(a) shall provide all of the following  
20 6 basic services, as described in the master plan, to constituent  
21 districts and communities: pupil services, curriculum support,  
22 community involvement measures, professional development,  
23 resource clearinghouse services, and leadership.

24       (3) A district, an intermediate district, a state  
25 board-approved institution of higher education, or a nonprofit  
26 science or technological museum acting in conjunction with a  
27 district or intermediate district is eligible for funding from



1 this section. In order to receive funds under this section, a  
2 district, an intermediate district, a state board-approved insti-  
3 tution of higher education, or a science or technological museum  
4 acting in conjunction with a district or intermediate district  
5 shall submit to the department an application on a form and in a  
6 manner prescribed by the department. An application for funding  
7 under this section shall include at least all of the following:

8 (a) A description of how ~~each of the 6~~ AT LEAST 1 OF THE  
9 basic service areas will be equitably and effectively delivered  
10 to constituent districts and communities, which shall include an  
11 assurance that access will be made available to all qualified  
12 pupils and professional staff of schools formally participating  
13 in center programs, including those from nonpublic schools in the  
14 designated service area.

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

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

22 (d) An explanation of how the mathematics and science center  
23 will be involved in and contribute to systemic change in its des-  
24 ignated service area.

25 (e) A detailed plan describing how the applicant will evalu-  
26 ate programs, activities, and operations.

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

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

8 (5) As part of the application or technical assistance pro-  
9 cess, the department shall provide minimum standard guidelines  
10 that may be used by an applicant or mathematics and science  
11 center for providing fair access for qualified pupils and profes-  
12 sional staff as prescribed in this section.

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

16 (a) Continuing support grants shall be awarded to all estab-  
17 lished mathematics and science centers. An established mathemat-  
18 ics and science center is one that has completed the  
19 planning/start-up/development stages and received a grant under  
20 this section in the immediately preceding fiscal year. Each  
21 established mathematics and science center shall receive an  
22 amount equal to the greater of its adjusted funding level, as  
23 specified in the master plan, or the amount it received under  
24 this section for 1993-94.

25 (b) From the balance of the allocation, and to promote equal  
26 access to mathematics and science centers by all districts and  
27 communities in Michigan, the department shall award grants to 5

1 other mathematics and science centers identified in the master  
2 plan, in the amounts specified in the master plan. Grants under  
3 this subsection may be prorated as necessary. These mathematics  
4 and science centers will serve regions that are currently unrep-  
5 resented in the mathematics and science centers program.

6 (c) From the balance of the allocation, the department shall  
7 award grants to establish satellites in areas that cannot support  
8 a mathematics and science center, are a considerable distance  
9 from an existing mathematics and science center, and have unique  
10 local needs. The locations of these satellites shall be as spec-  
11 ified in the master plan.

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

17 Sec. 107e. (1) From the appropriation in section 11, there  
18 is allocated for 1994-95 an amount not to exceed \$185,000,000.00  
19 for adult education categorical payments to districts, consortia,  
20 or cooperative programs on a per participant basis, as provided  
21 in this section, in an amount, subject to subsections (18) and  
22 (19), not to exceed \$5,500.00 or the district's foundation allow-  
23 ance under section 20, whichever is less, per participant. These  
24 payments are for operation of adult basic education programs,  
25 adult high school completion programs, alternative education pro-  
26 grams operated through adult education other than those described

1 in section 6(4)(h), and general education development test  
2 (G.E.D.) preparation programs.

3 (2) Except as otherwise provided in this section, the maxi-  
4 mum number of full-time equated participants for which the dis-  
5 trict, consortium, or cooperative program may receive payments  
6 under this section is the number of adult education participants  
7 counted as participants in the district, consortium, or coopera-  
8 tive program in 1993-94 in an adult basic education program, an  
9 adult high school completion program, an alternative education  
10 program operated through adult education, or a G.E.D. preparation  
11 program, as counted in the final audited 1993-94 participant  
12 count, after adjustments under former section 107, as adjusted  
13 for the change in the basis for determining full-time equated  
14 participants from 480 to 900 hours. HOWEVER, IF A CONSORTIUM  
15 DEMONSTRATES TO THE SATISFACTION OF THE DEPARTMENT THAT IN  
16 1993-94 IT CONDUCTED A 900-HOUR PROGRAM OF ALTERNATIVE EDUCATION  
17 THROUGH ADULT EDUCATION, THE CONSORTIUM'S FINAL AUDITED 1993-94  
18 PARTICIPANT COUNT FOR PARTICIPANTS IN THAT 900-HOUR PROGRAM SHALL  
19 NOT BE ADJUSTED FOR THE CHANGE FROM 480 TO 900 HOURS. The maximum  
20 number of participants in a consortium or cooperative program  
21 shall be adjusted to reflect the 1993-94 participants transferred  
22 into or out of the consortium or cooperative program.

23 (3) If the department determines as of May 1 of a fiscal  
24 year that the total amount allocated under this section exceeds  
25 the amount necessary to fully fund payments for the number of  
26 participants counted under subsection (2), the department may  
27 allow districts, consortia, and cooperative programs to count

1 additional participants on a prorated basis and may make payments  
2 under this section to districts, consortia, and cooperative pro-  
3 grams for those additional participants.

4       (4) Except for an individual enrolled in the state technical  
5 institute and rehabilitation center who is less than 20 years of  
6 age on September 1 of the school year or an individual who is  
7 enrolled for a maximum of 1 year in an English as a second lan-  
8 guage program, an individual who has obtained a high school  
9 diploma shall not be counted as a participant under this  
10 section. Unless the individual is a participant in an adult high  
11 school completion program, an individual who has obtained a gen-  
12 eral education development (G.E.D.) certificate shall not be  
13 counted as a participant under this section.

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

16       (6) Except as provided in this subsection, payments under  
17 this section shall be made as provided in section 17b. A dis-  
18 trict, consortium, or cooperative program that counts adult edu-  
19 cation participants under this section and complies with the  
20 requirements of this section shall receive regularly scheduled  
21 state aid payments for which the district, consortium, or cooper-  
22 ative program qualifies under this section in accordance with the  
23 following, up to maximum of 100%:

24       (a) Ninety percent for enrollment of eligible participants.

25       (b) Ten percent for classroom attendance.

26       (c) Ten percent for attainment of a high school diploma; for  
27 passage of the G.E.D. test; for completion of the adult basic

1 education objectives by achieving an eighth grade level in  
2 reading, English, or mathematics; or for completion of the class  
3 and demonstrated proficiency in the academic or vocational skills  
4 to be learned in the class.

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

13       (8) A district, consortium, or cooperative program receiving  
14 funds from the job training partnership act, Public Law 97-300,  
15 96 Stat. 1322, or a district operating a training program  
16 approved by the department may amend the number of participants  
17 counted under this section to include individuals participating  
18 in the job training partnership act program or a training program  
19 approved by the department. The participant count day for these  
20 participants shall be the third Friday after the first Monday  
21 after the start of instruction for the program. Payments  
22 received under this section for these participants shall be  
23 reduced  $1/900$  for each hour of classroom instruction the partici-  
24 pants are scheduled to receive under 900 hours and further  
25 reduced to ensure that the combined aid under this section and  
26 job training partnership act or other approved training program  
27 aid for the programs do not exceed the cost of the programs as

1 verified by the intermediate school district of the district  
2 operating the programs.

3 (9) An individual 26 years of age or older residing in a  
4 mental health institution or a nursing home and receiving educa-  
5 tional services on site shall not be counted as an adult educa-  
6 tion participant under this section.

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

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

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

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

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

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

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

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

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

20 (d) Except as provided in subdivision (e), 1 credit of com-  
21 puter education, or the equivalent, as approved by the  
22 department.

23 (e) A total of 4 additional credits of any of the subjects  
24 specified in subdivisions (a) through (d), fine and performing  
25 arts or practical arts, or any combination thereof, as approved  
26 by the department.



1 Participants enrolled in fine and performing arts or  
2 practical arts classes shall also be enrolled and attend within  
3 the same semester at least 1 of the classes listed in subdivi-  
4 sions (a) through (d) in order to generate membership for the  
5 fine and performing arts or practical arts class.

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

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

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

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

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

25 (c) Have on file a planned program for adult basic education  
26 or a planned program for a high school diploma, or both, for each  
27 individual enrolled in an adult basic education program or adult

1 high school completion program, or both, comparable to planned  
2 programs maintained for a pupil in the regular program of the  
3 district.

4 (d) Ensure that the adult high school completion program is  
5 comparable to the requirements and standards of other high school  
6 completion programs in that district. If modifications are made  
7 in programs or courses, or both, to accommodate adult needs, spe-  
8 cific rationale for the modifications shall be available for  
9 review.

10 (e) Maintain participant records comparable to those main-  
11 tained for the regular high school program of that district.

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

16 (g) Expend at least 5% of the funds received under this sec-  
17 tion for academic, vocational, and job counseling for adult edu-  
18 cation participants.

19 (h) Use the funds received under this section to support  
20 actual reasonable costs of the adult education programs, except  
21 that the district may use revenue in addition to that needed to  
22 meet the costs of the adult education program to provide supple-  
23 mental services within the district in the areas of early child-  
24 hood education, alternative education, dropout prevention, teen  
25 parent programs for youth, or other department-approved education  
26 programs other than community education.

1       (16) Two or more K to 12 districts may conduct adult  
2 education programs on a cooperative basis. Cooperating districts  
3 shall enter into an annual written agreement which shall cover  
4 all of the high school completion programs and adult basic educa-  
5 tion programs offered within the participating districts.  
6 Exceptions to this provision may be made with the approval of the  
7 department. An agreement shall include the educational, adminis-  
8 trative, management, operational, and financial matters concern-  
9 ing adult education programs and services offered by all the par-  
10 ticipating districts. One district shall be designated in the  
11 agreement as the administrator of the adult education cooperative  
12 program and shall operate the program as a direct extension of  
13 the district. The district serving as the administrator of the  
14 adult education program shall reimburse only direct expenses and  
15 the reasonable rental value of facilities provided directly to  
16 the program by a cooperative district. These fees shall reflect  
17 only actual costs to the cooperating district. If the cooperat-  
18 ing district did not receive an allocation under former  
19 section 21(1) in 1993-94, the fees shall not exceed 12.5% of the  
20 amount of the payment the administering district receives that is  
21 attributable to the participation of the cooperating district.  
22 No other payments may be made to a cooperating district by the  
23 district serving as the administrator of the adult education  
24 program. The fee schedule to be paid by the administrative dis-  
25 trict of the adult education program shall be included as part of  
26 the annual written agreement between cooperating districts. The  
27 administrative district shall maintain for 5 years records of

1 fees paid under the agreement. The funds generated by the  
2 administering district shall be used to support actual reasonable  
3 costs of the adult education programs in the cooperative program  
4 with the exception that administering districts may use revenues  
5 in addition to that needed to meet the costs of the adult educa-  
6 tion program to provide supplemental services within the consor-  
7 tium in the areas of early childhood education, alternative edu-  
8 cation, dropout prevention, teen parent programs for youth, or  
9 other department-approved education programs other than community  
10 education. In order to receive funds under this section for the  
11 program, not later than November 30 of the fiscal year the board  
12 of each of the cooperating districts shall adopt and submit to  
13 the department a resolution indicating compliance with this  
14 subsection.

15       (17) Except for a district described in subsection (19)(c),  
16 a district that did not receive an allocation under former sec-  
17 tion 21(1) in 1993-94, with the approval of the department, may  
18 enter into a cooperative arrangement with a district that  
19 receives payment under this section for the purpose of obtaining  
20 educational services for adult education participants. These  
21 cooperative arrangements shall meet the same conditions as those  
22 listed in subsection (16). In these cooperative arrangements,  
23 the district that did not receive an allocation under former sec-  
24 tion 21(1) in 1993-94 may receive from the district that provides  
25 the educational services an amount for administrative costs not  
26 to exceed 12.5% of the amount of the payment under this section  
27 the providing district receives that is attributable to the

1 cooperative arrangement. In order to receive funds under this  
2 section for the program, the board of each of the cooperating  
3 districts shall adopt and submit to the department a resolution  
4 indicating compliance with this subsection.

5 (18) If a district participates in 1994-95 in a consortium  
6 or cooperative program that operates an adult education program  
7 under this section and the district either participated in  
8 1993-94 in a different adult education consortium or cooperative  
9 program or operated an adult education program itself in 1993-94,  
10 the number of adult education participants from that district  
11 shall be counted only in the consortium or cooperative program in  
12 which the district participates in 1994-95.

13 (19) The amount paid under this section per participant for  
14 adult education participants from a district that either partici-  
15 pates in 1994-95 in a consortium or cooperative program that  
16 operates an adult education program or participated in 1993-94 in  
17 such a consortium or cooperative program shall be calculated as  
18 follows:

19 (a) If a district participates in 1994-95 in a consortium or  
20 cooperative program that operates an adult education program  
21 under this section and the district participated in 1993-94 in a  
22 different adult education consortium or cooperative program, the  
23 amount paid under this section per participant for adult educa-  
24 tion participants from that district shall be the lesser of the  
25 1994-95 administering district's foundation allowance, the  
26 1993-94 administering district's foundation allowance, or  
27 \$5,500.00.

1 (b) If a district participates in 1994-95 in a consortium or  
2 cooperative program that operates an adult education program  
3 under this section and the district operated an adult education  
4 program itself in 1993-94, the amount paid under this section per  
5 participant for adult education participants from that district  
6 shall be the lesser of that district's foundation allowance, the  
7 administering district's foundation allowance, or \$5,500.00.

8 (c) If a district participated in 1993-94 in an adult educa-  
9 tion consortium or cooperative program, and if there is written  
10 approval by the boards of all of the consortium or cooperative  
11 program members for the district to withdraw from the consortium  
12 or cooperative program, the district may operate an adult educa-  
13 tion program under this section in 1994-95, and the amount paid  
14 under this section per participant for adult education partici-  
15 pants from that district shall be the lesser of that district's  
16 foundation allowance, the foundation allowance of the district  
17 that administered the consortium or cooperative program in  
18 1993-94, or \$5,500.00.

19 (20) The department shall prorate payments under this sec-  
20 tion as necessary.

21 (21) As used in this section, "participant" means the aver-  
22 age number of full-time equated individuals age 16 or older  
23 enrolled in and attending a department-approved adult basic edu-  
24 cation program, adult high school completion program, or  
25 G.E.D. preparation program, determined by the department by  
26 adding the number of those individuals counted as of the October  
27 participant count day and the number of those individuals counted

1 as of the February participant count day, and dividing that sum  
2 by 2, and as corrected by subsequent department audit. In addi-  
3 tion, if a person age 16 to 20 enrolled in and attending an  
4 alternative education program operated through an adult education  
5 program is not counted as a pupil under section 6(4)(h), the  
6 individual may be counted as a participant under this section.

7       Sec. 111. (1) Except as provided in section 113, a district  
8 having tuition pupils enrolled on the pupil membership count day  
9 of each year shall charge the district in which the tuition  
10 pupils reside the tuition rate computed under section 1401 of the  
11 school code of 1976, being section 380.1401 of the Michigan  
12 Compiled Laws. The resulting tuition rates shall be reduced by  
13 the district's foundation allowance provided under section 20. ~~7~~  
14 ~~except that~~ HOWEVER, a district shall charge the full per capita  
15 operating cost determined under section 1401 of the school code  
16 of 1976 for tuition pupils ~~other than special education pupils~~  
17 ~~served in center programs~~ if the district enrolls TUITION pupils  
18 ~~, other than special education pupils,~~ who reside in a district  
19 that is legally liable for the payment of the tuition and that  
20 has a lower foundation allowance than the district enrolling the  
21 pupils.

22       (2) A pupil for whom the full per capita operating cost, as  
23 determined under section 1401 of the school code of 1976, is  
24 charged as tuition under subsection (1) shall not be counted in  
25 membership in the receiving district for purposes of calculating  
26 that district's foundation allowance under section 20. A pupil  
27 for whom the full per capita operating cost, as determined under

1 section 1401 of the school code of 1976, is paid by the pupil's  
2 district of residence under subsection (1) shall be counted in  
3 membership in the pupil's district of residence solely for pur-  
4 poses of calculating that district's foundation allowance under  
5 section 20.

6       (3) An additional allowance for nonpublic, nonresident  
7 pupils in part-time membership shall be made to the district  
8 receiving nonpublic, nonresident pupils in an amount equal to the  
9 difference between the per capita cost as determined under sec-  
10 tion 1401 of the school code of 1976 and the district's founda-  
11 tion allowance calculated under section 20.

12       (4) The secretary of the board of each district enrolling  
13 nonresident pupils shall certify to the department, on forms fur-  
14 nished by the department, the number of nonresident pupils  
15 enrolled in each grade on the pupil membership count day of each  
16 year, the districts in which the nonresident pupils reside, the  
17 amount of tuition charged for the current year, and other infor-  
18 mation required by the department.