



HOUSE BILL No. 6123

September 25, 1996, Introduced by Rep. Law and referred to the Committee on Appropriations.

A bill to amend section 20 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. 360 of the Public Acts of 1994, being section 388.1620 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 20 of Act No. 94 of the Public Acts of
2 1979, as amended by Act No. 360 of the Public Acts of 1994, being
3 section 388.1620 of the Michigan Compiled Laws, is amended to
4 read as follows:

5 Sec. 20. (1) Except as otherwise provided in this act, from
6 the appropriation in section 11 there is allocated for 1994-95 an
7 amount not to exceed \$7,245,000,000.00 to guarantee each district
8 a foundation allowance per membership pupil and to make payments
9 under this section to public school academies. The amount of

1 each district's foundation allowance shall be calculated as
2 provided in this section, using a basic foundation allowance for
3 1994-95 in the amount of \$5,000.00. If the maximum amount allo-
4 cated under this section is not sufficient to fully fund payments
5 under this section, the amount of each district's foundation
6 allowance and the dollar amount prescribed in subsection (10)
7 shall be prorated as necessary. This proration shall be made by
8 reducing by an equal percentage each district's foundation allow-
9 ance, the \$6,500.00 figure in subsection (6), and the \$5,500.00
10 figure in subsection (10).

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

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

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

1 (c) The resulting revenue adjustment factor derived under
2 subdivisions (a) and (b) shall then be adjusted by a pupil mem-
3 bership adjustment factor. The pupil membership adjustment
4 factor shall be computed by dividing the membership for the
5 school year ending in the immediately preceding state fiscal year
6 by the membership for the school year ending in the current state
7 fiscal year. This pupil adjustment factor shall be multiplied by
8 the fraction derived under subdivisions (a) and (b) to determine
9 the final index.

10 (3) Except as otherwise provided in this section, for the
11 1994-95 state fiscal year, the amount of a district's foundation
12 allowance shall be calculated as follows:

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

19 (b) For a district that had combined state and local revenue
20 per membership pupil in the 1993-94 state fiscal year of at least
21 \$4,200.00 but less than \$6,500.00, the district's foundation
22 allowance for 1994-95 is the sum of the district's combined state
23 and local revenue per membership pupil in the 1993-94 state
24 fiscal year plus [$\$250.00 - (\$90.00 \text{ times the ratio calculated by}$
25 $\text{subtracting } \$4,200.00 \text{ from the district's combined state and}$
26 $\text{local revenue per membership pupil in the 1993-94 state fiscal}$
27 $\text{year and dividing that difference by } 2,300)]$.

1 (c) For a district that had combined state and local revenue
2 per membership pupil in the 1993-94 state fiscal year of
3 \$6,500.00 or more, the district's foundation allowance for
4 1994-95 is the sum of the district's combined state and local
5 revenue per membership pupil in 1993-94 plus \$160.00.

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

16 (5) Beginning in the 1995-96 state fiscal year, except as
17 otherwise provided in this section, the amount of a district's
18 foundation allowance shall be calculated as follows, using in all
19 calculations the total amount of the district's foundation allow-
20 ance as calculated before any proration:

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

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

1 (b) For a district that in the immediately preceding state
2 fiscal year had a foundation allowance of less than the sum of
3 \$6,500.00 plus the total dollar amount of all adjustments made
4 since 1994-95 in the basic foundation allowance pursuant to the
5 index under subsection (2), and that qualified for a supplemental
6 allowance described in subsection (4) in the immediately preced-
7 ing state fiscal year, the district shall receive a foundation
8 allowance in an amount equal to the ~~sum of the~~ district's foun-
9 dation allowance for the immediately preceding state fiscal year
10 ~~plus the dollar amount of the~~ ADJUSTED BY THE SAME PERCENTAGE
11 AS THE PERCENTAGE adjustment from the immediately preceding state
12 fiscal year to the current state fiscal year made in the basic
13 foundation allowance pursuant to the index under subsection (2).

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

23 (6) Subject to subsection (7), to ensure that a district
24 receives the district's foundation allowance, there is allocated
25 to each district a state portion of the district's foundation
26 allowance in an amount calculated under this subsection. The
27 state portion of a district's foundation allowance is an amount

1 equal to the district's foundation allowance or \$6,500.00,
2 whichever is less, minus the difference between the product of
3 the state equalized valuation per membership pupil of all prop-
4 erty in the district that is not a homestead or qualified agri-
5 cultural property times the lesser of 18 mills or the number of
6 mills of school operating taxes levied by the district in 1993-94
7 and the quotient of the ad valorem property tax revenue of the
8 district captured under Act No. 197 of the Public Acts of 1975,
9 being sections 125.1651 to 125.1681 of the Michigan Compiled
10 Laws, the tax increment finance authority act, Act No. 450 of the
11 Public Acts of 1980, being sections 125.1801 to 125.1830 of the
12 Michigan Compiled Laws, or the local development financing act,
13 Act No. 281 of the Public Acts of 1986, being sections 125.2151
14 to 125.2174 of the Michigan Compiled Laws, divided by the
15 district's membership. For a district that has a millage reduc-
16 tion required under section 31 of article IX of the state consti-
17 tution of 1963, the state portion of the district's foundation
18 allowance shall be calculated as if that reduction did not
19 occur.

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

1 basic foundation allowance in a fiscal year exceeds that same
2 ratio in the 1994-95 fiscal year.

3 (8) The indices to be computed under this section for each
4 state fiscal year shall be a topic of each revenue estimating
5 conference conducted under section 367b of the management and
6 budget act, Act No. 431 of the Public Acts of 1984, being
7 section 18.1367b of the Michigan Compiled Laws. If a revenue
8 estimating conference fails to reach a consensus on the estimate
9 of an index, the state treasurer shall compute an estimated index
10 and certify it to the director of the department of management
11 and budget and the superintendent of public instruction. The
12 state treasurer also shall compute a final index for each fiscal
13 year, based upon available data, and certify the final index to
14 the director of the department of management and budget and the
15 superintendent of public instruction not later than 120 days fol-
16 lowing the end of that fiscal year. If the final certified index
17 for a fiscal year differs from the estimated index used in the
18 adoption of the state budget for the fiscal year and used during
19 the fiscal year as the basis for making payments under this act,
20 the department shall make any necessary payment adjustments to
21 reflect the final certified index.

22 (9) Except as otherwise provided in this subsection, for a
23 pupil in membership in a district other than the pupil's district
24 of residence, the allocation under this section shall be based on
25 the lesser of the foundation allowance of the district of resi-
26 dence or the foundation allowance of the district of enrollment.

1 (10) Subject to subsection (11), for pupils in membership in
2 a public school academy or in membership in an instructional
3 program 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 SAME PERCENTAGE AS THE
17 PERCENTAGE adjustment from the immediately preceding state fiscal
18 year to the current state fiscal year in the basic foundation
19 allowance pursuant to the index under subsection (2), as deter-
20 mined by the department of 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) A district or public school academy may use any funds
26 allocated under this section in conjunction with any federal

1 funds for which the district or public school academy otherwise
2 would be eligible.

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

5 (16) For the purposes of calculating the amount of a
6 district's foundation allowance for 1994-95 under this section,
7 if a district's combined state and local revenue per membership
8 pupil in the 1992-93 state fiscal year was greater than the
9 district's combined state and local revenue per membership pupil
10 in the 1993-94 state fiscal year, the amount of the district's
11 combined state and local revenue per membership pupil in the
12 1993-94 state fiscal year shall be considered to be an amount
13 equal to 1/2 of the sum of the district's combined state and
14 local revenue per membership pupil in the 1993-94 state fiscal
15 year plus the district's combined state and local revenue per
16 membership pupil in the 1992-93 state fiscal year. In order to
17 calculate a district's combined state and local revenue per mem-
18 bership pupil in the 1992-93 state fiscal year, all references in
19 subsection (21) to "1993-94" shall be considered to read
20 "1992-93" and all references in subsection (21) to an August pay-
21 ment for a particular year shall be considered to be the August
22 payment for the immediately preceding year but the definition of
23 membership to be used is the definition of membership in effect
24 for 1993-94 under section 6.

25 (17) For a district that is formed or reconfigured after
26 June 1, 1994 by consolidation of 2 or more districts or by
27 annexation, the resulting district's foundation allowance under

1 this section beginning after the effective date of the
2 consolidation or annexation shall be the average of the founda-
3 tion allowances of each of the original or affected districts,
4 calculated as provided in this section, weighted as to the per-
5 centage of pupils in total membership in the resulting district
6 who reside in the geographic area of each of the original
7 districts. If an affected district's foundation allowance is
8 less than the basic foundation allowance, as adjusted under sub-
9 section (2), the amount of that district's foundation allowance
10 shall be considered for the purpose of calculations under this
11 subsection to be equal to the amount of the basic foundation
12 allowance.

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

17 (21) As used in this section:

18 (a) "Combined state and local revenue per membership pupil",
19 except as provided in this subsection, means the aggregate of the
20 district's state school aid received by or paid on behalf of the
21 district under this section, except for payments received because
22 of an adjustment in the district's state school aid for a prior
23 fiscal year, and the district's local school operating revenue,
24 divided by the district's membership. For the purpose of calcu-
25 lating a district's combined state and local revenue per member-
26 ship pupil in the 1994-95 state fiscal year only, combined state
27 and local revenue per membership pupil does not include the

1 payment received by the district under section 20c. For the
2 purpose of calculating a district's combined state and local rev-
3 enue per membership pupil in the 1993-94 state fiscal year only,
4 combined state and local revenue per membership pupil means the
5 aggregate of the following, divided by the number of full-time
6 equated pupils in grades K to 12 actually enrolled and in regular
7 daily attendance on the 1993-94 pupil membership count day, as
8 determined by the department using the unaudited count completed
9 by the department not later than 60 days after the pupil member-
10 ship count day or the number of pupils registered for attendance
11 plus pupils received by transfer and minus pupils lost as defined
12 by rules promulgated by the state board, and as corrected by a
13 subsequent department audit:

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

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

22 (B) Early childhood grants under section 36.

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

24 (D) Special education transportation under former section
25 71, as calculated under former section 72.

26 (E) Federal impact aid adjustments under former section
27 21(3).

1 (F) Economic development job training grant payments under
2 section 107a.

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

4 (H) Adult literacy grant payments under former
5 section 107c.

6 (I) Adult education categorical payments under former
7 section 107d.

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

10 (K) Bilingual education payments under section 41.

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

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

13 (N) Mathematics and science center payments under section
14 99.

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

17 (P) Payments under section 145 for costs of court-ordered
18 desegregation.

19 (Q) For a district that had combined state and local revenue
20 per membership pupil in the 1993-94 state fiscal year of less
21 than \$6,500.00 and that received payments under former section 27
22 in 1993-94, an amount equal to compensatory education payments
23 under former section 31. For a district that had combined state
24 and local revenue per membership pupil in the 1993-94 state
25 fiscal year of less than \$6,500.00 and that did not receive any
26 payments under former section 27 in 1993-94, an amount equal to
27 40% of compensatory education payments under former section 31.

1 (R) Professional development payments under former section
2 98.

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

4 (T) For a district that had a deduction in 1993-94 under
5 former section 21(5) that was greater than the district's deduc-
6 tion in 1992-93 under former section 21(5), an amount equal to
7 50% of the increase in the district's deduction from 1992-93 to
8 1993-94 under former section 21(5).

9 (U) Payments made under former section 146 and under
10 section 147 on behalf of the district's employees who provided
11 direct services for intermediate district center programs oper-
12 ated by the district under article 5.

13 (V) Adjustments under sections 101 and 164.

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

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

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

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

21 (iv) The amount of transportation funding under article 7
22 paid to an intermediate district that is attributable to trans-
23 portation services provided in 1993-94 by the intermediate dis-
24 trict for the district's pupils within the district, based on a
25 report submitted not later than May 15, 1994 to the department of
26 treasury by the intermediate district detailing the number of

1 pupils within each district for whom the intermediate district
2 provided those transportation services.

3 (v) An amount equal to 50% of the amount of funding under
4 former section 47(3) for gifted and talented programs paid to an
5 intermediate district that is attributable to services provided
6 in 1993-94 by the intermediate district for the district's pupils
7 within the district, based on a report submitted not later than
8 May 27, 1994 to the department of treasury by the intermediate
9 district detailing the number of pupils within each district for
10 whom the intermediate district provided those services. However,
11 the amount included under this subparagraph for a district shall
12 be reduced by a percentage equal to the percentage of the
13 district's deduction, if any, under former section 21(5) for
14 1993-94.

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

17 (c) "Eligible fund equity expenditures for 1993-94" means an
18 amount, calculated by the department of treasury, equal to the
19 district's budgeted expenditures from the district's fund equity
20 for 1993-94, as provided for in the district's official board
21 adopted budget as of December 31, 1993 and reported to the
22 department of treasury not later than May 27, 1994, and as
23 adjusted not later than June 6, 1994, prorated on an equal per-
24 centage basis so that the total statewide amount of eligible fund
25 equity expenditures for 1993-94 does not exceed \$30,000,000.00.

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

4 (e) "Immediately preceding state fiscal year" means the
5 state fiscal year immediately preceding the current state fiscal
6 year.

7 (f) "Local school operating revenue" means, subject to sub-
8 division (a), school operating taxes levied under section 1211 of
9 the school code of 1976. For calculating a district's local
10 school operating revenue for 1993-94, local school operating rev-
11 enue includes school operating taxes for the 1993-94 school
12 fiscal year, but does not include a district's revenue from money
13 received by the district in the 1993-94 school fiscal year from
14 federal impact aid under section 3(c)(1) of title I of chapter
15 1124, 64 Stat. 1100, 20 U.S.C. 238; from federal payments in lieu
16 of taxes; or from penalties and interest on delinquent property
17 and specific taxes. For calculating a district's local school
18 operating revenue for 1993-94 only, local school operating reve-
19 nue includes all of the following specific tax revenue levied and
20 retained by the district for school operating purposes for the
21 1993-94 school fiscal year that was reported to the department of
22 treasury not later than February 1, 1994, as corrected by subse-
23 quent department of treasury audit, prorated so that the total
24 statewide amount of the following specific tax revenue included
25 in local school operating revenue does not exceed
26 \$85,000,000.00:

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

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

8 (iii) Commercial forest specific tax described in section 7a
9 of THE COMMERCIAL FOREST ACT, Act No. 94 of the Public Acts of
10 1925, being section 320.307a of the Michigan Compiled Laws,
11 retained by the district.

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

16 (v) Enterprise zone facilities tax levied under section 21
17 of the enterprise zone act, Act No. 224 of the Public Acts of
18 1985, being section 125.2121 of the Michigan Compiled Laws, and
19 retained by the district.

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

24 (vii) Commercial housing facilities tax levied pursuant to
25 Act No. 438 of the Public Acts of 1976, being sections 207.601 to
26 207.615 of the Michigan Compiled Laws, and retained by the
27 district.

1 (viii) The specific tax relating to trailer coach parks
2 levied under section 41 of Act No. 243 of the Public Acts of
3 1959, being section 125.1041 of the Michigan Compiled Laws, and
4 retained by the district.

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

9 (x) Specific tax on low grade iron ore levied under Act
10 No. 77 of the Public Acts of 1951, being sections 211.621 to
11 211.626 of the Michigan Compiled Laws, and retained by the
12 district.

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

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

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

24 (g) "Local school operating revenue per membership pupil"
25 means a district's local school operating revenue divided by the
26 district's membership.

1 (h) "Membership" means, except as otherwise provided in
2 subdivision (a), the definition of that term under section 6(4)
3 as in effect for the particular fiscal year for which a particu-
4 lar calculation is made.

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

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

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

14 (i) The number of mills of property tax levied in 1993 by a
15 district for payment of principal or interest on notes or bonds
16 issued to fund an operating deficit pursuant to section 1356 of
17 the school code of 1976, being section 380.1356 of the Michigan
18 Compiled Laws.

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

26 (iii) The number of mills of property taxes levied in 1993
27 by a district that is a school district of the first class that

1 are attributable to payments by the district to a public library
2 commission pursuant to section ~~11(4)~~ 11(4) of the property tax
3 limitation act, Act No. 62 of the Public Acts of 1933, being
4 section 211.211 of the Michigan Compiled Laws.

5 (iv) The number of mills of property taxes levied in 1993 by
6 a district for the operation of a library established pursuant to
7 Act No. 261 of the Public Acts of 1913, being sections 397.261 to
8 397.262 of the Michigan Compiled Laws, or levied in 1993 by a
9 district for operation of a library under section 260 or 1451 of
10 the school code of 1976, being sections 380.260 and 380.1451 of
11 the Michigan Compiled Laws, that were not included in the operat-
12 ing millage reported by the district to the department as of
13 April 1, 1993. However, a district may report to the department
14 not later than April 1, 1994 the number of mills the district
15 levied in 1993 for a purpose described in this subparagraph that
16 the district does not want considered as operating millage and
17 then that number of mills is excluded from school operating taxes
18 for the purposes of this section but that exclusion shall not
19 affect a district's 1993-94 allocation under this act.

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

23 (vi) The number of mills levied in 1993 for operation of a
24 community swimming pool for which the district had separate
25 approval of the school electors before 1994. If a district
26 included the millage it levied in 1993 for operation of a
27 community swimming pool as part of its operating millage reported

1 to the department for 1993, the district may report to the
2 department not later than June 16, 1994 the number of mills it
3 levied in 1993 for operation of a community swimming pool that
4 the district does not want considered as operating millage and
5 then that number of mills is excluded from school operating taxes
6 for the purposes of this section. Exclusion of millage under
7 this subparagraph shall not affect a district's 1993-94 alloca-
8 tion under this act.

9 (1) "State equalized valuation per membership pupil" means
10 state equalized valuation, as certified by the department of
11 treasury, for the calendar year ending in the current state
12 fiscal year divided by the district's membership for the school
13 year ending in the current state fiscal year.