

HOUSE BILL No. 4252

February 6, 1997, Introduced by Reps. Profit, DeHart, Kelly, LaForge, Callahan, Mans, Gire, Bogardus and Kilpatrick and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 6, 11, 17b, 18, 20, 20c, 20i, 24, 31a, 36,
39, 41, 51a, 53a, 54, 56, 57, 58, 61a, 62, 74, 81, 94, 95, 99,
147, and 167 (MCL 388.1606, 388.1611, 388.1617b, 388.1618,
388.1620, 388.1620c, 388.1620i, 388.1624, 388.1631a, 388.1636,
388.1639, 388.1641, 388.1651a, 388.1653a, 388.1654, 388.1656,
388.1657, 388.1658, 388.1661a, 388.1662, 388.1674, 388.1681,
388.1694, 388.1695, 388.1699, 388.1747, and 388.1767), sections
6, 11, 17b, 18, 20, 20c, 24, 31a, 36, 39, 41, 54, 56, 57, 58,
61a, 62, 74, 81, 94, 99, 147, and 167 as amended and sections
20i, 51a, and 53a as added by 1996 PA 300 and section 95 as
amended by 1995 PA 130, and by adding sections 21a and 107a; and
to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) "Center program" means a program operated by a
2 district or intermediate district for special education pupils
3 from several districts in programs for the autistically impaired,
4 trainable mentally impaired, severely mentally impaired, severely
5 multiply impaired, hearing impaired, physically and otherwise
6 health impaired, and visually impaired. Programs for emotionally
7 impaired pupils housed in buildings that do not serve regular
8 education pupils shall also qualify. Unless otherwise approved
9 by the department, a center program either shall serve all con-
10 stituent districts within an intermediate district or shall serve
11 several districts with less than 50% of the pupils residing in
12 the operating district. In addition, special education center
13 program pupils placed part-time in noncenter programs to comply
14 with the least restrictive environment provisions of section 612
15 of part B of the individuals with disabilities education act,
16 title VI of Public Law 91-230, 20 U.S.C. 1412, may be considered
17 center program pupils for pupil accounting purposes for the time
18 scheduled in either a center program or a noncenter program.

19 (2) "District pupil retention rate" means the proportion of
20 pupils who have not dropped out of school in the immediately pre-
21 ceding school year and is equal to 1 minus the quotient of the
22 number of pupils unaccounted for in the immediately preceding
23 school year, as determined pursuant to subsection (3), divided by
24 the pupils of the immediately preceding school year.

25 (3) "District pupil retention report" means a report of the
26 number of pupils, excluding migrant and adult, in the district

1 for the immediately preceding school year, adjusted for those
2 pupils who have transferred into the district, transferred out of
3 the district, transferred to alternative programs, and have grad-
4 uated, to determine the number of pupils who are unaccounted
5 for. The number of pupils unaccounted for shall be calculated as
6 determined by the department.

7 (4) "Membership", except as otherwise provided in this act,
8 means for ~~1996-97~~ 1997-98 the average number of full-time
9 equated pupils in grades K to 12 actually enrolled and in regular
10 daily attendance in a district, public school academy, university
11 school, or intermediate district on the pupil membership count
12 day for the current school year and on the supplemental count day
13 for the immediately preceding school year, as determined by the
14 department and calculated by adding the number of pupils regis-
15 tered for attendance plus pupils received by transfer and minus
16 pupils lost as defined by rules promulgated by the state board,
17 and as corrected by a subsequent department audit, plus the final
18 audited count from the supplemental count day for the immediately
19 preceding school year, and dividing that sum by 2. The amount of
20 the foundation allowance to be paid on behalf of a pupil in mem-
21 bership is determined under section 20. In making the calcula-
22 tion of membership, all of the following, as applicable, apply to
23 determining the membership of a district, public school academy,
24 university school, or intermediate district:

25 (a) Except as otherwise provided in this subsection, a pupil
26 shall be counted in membership in the pupil's educating district

1 or districts. An individual pupil shall not be counted for more
2 than a total of 1.0 full-time equated membership.

3 (b) If a pupil is educated in a district other than the
4 pupil's district of residence and the educating district is not
5 in the same intermediate district as the pupil's district of res-
6 idence, if the pupil is not being educated as part of a coopera-
7 tive education program, if the pupil's district of residence does
8 not give the educating district its approval to count the pupil
9 in membership in the educating district, and if the pupil is not
10 covered by an exception specified in subsection (6) to the
11 requirement that the educating district must have the approval of
12 the pupil's district of residence to count the pupil in member-
13 ship, the pupil shall not be counted in membership in any
14 district.

15 (c) A special education pupil educated by the intermediate
16 district shall be counted in membership in the intermediate
17 district. A special education pupil who is educated in a center
18 program operated by a district and who is not required to be
19 counted in membership in an intermediate district shall be
20 counted in membership in the educating district.

21 (d) A pupil placed by a court or state agency in an
22 on-grounds program of a juvenile detention facility, a child
23 caring institution, or a mental health institution, or a pupil
24 funded under section 53 or 53a, shall be counted in membership in
25 the district or intermediate district approved by the department
26 to operate the program.

1 (e) A pupil enrolled in the Michigan school for the deaf and
2 blind shall be counted in membership in the pupil's intermediate
3 district of residence.

4 (f) A pupil enrolled in a vocational education program sup-
5 ported by a millage levied over an area larger than a single dis-
6 trict or in an area vocational-technical education program estab-
7 lished pursuant to section 690 of the revised school code, ~~being~~
8 ~~section 380.690 of the Michigan Compiled Laws~~ MCL 380.690, shall
9 be counted only in the pupil's district of residence.

10 (g) A pupil enrolled in a university school shall be counted
11 in membership in the university school.

12 (h) A pupil enrolled in a public school academy shall be
13 counted in membership in the public school academy.

14 (i) For a new district, university school, or public school
15 academy beginning its operation after December 31, 1994, member-
16 ship for the first 2 full or partial fiscal years of operation
17 shall be determined as follows:

18 (i) If operations begin before the pupil membership count
19 day for the fiscal year, membership is the average number of
20 full-time equated pupils in grades K to 12 actually enrolled and
21 in regular daily attendance on the pupil membership count day for
22 the current school year and on the supplemental count day for the
23 current school year, as determined by the department and calcu-
24 lated by adding the number of pupils registered for attendance on
25 the pupil membership count day plus pupils received by transfer
26 and minus pupils lost as defined by rules promulgated by the
27 state board, and as corrected by a subsequent department audit,

1 plus the final audited count from the supplemental count day for
2 the current school year, and dividing that sum by 2.

3 (ii) If operations begin after the pupil membership count
4 day for the fiscal year and not later than the supplemental count
5 day for the fiscal year, membership is the final audited count of
6 the number of full-time equated pupils in grades K to 12 actually
7 enrolled and in regular daily attendance on the supplemental
8 count day for the current school year.

9 (j) If a district is the authorizing body for a public
10 school academy, then, in the first school year in which pupils
11 are counted in membership on the pupil membership count day in
12 the public school academy, the determination of the district's
13 membership shall exclude from the district's pupil count for the
14 immediately preceding supplemental count day any pupils who are
15 counted in the public school academy on that first pupil member-
16 ship count day who were also counted in the district on the imme-
17 diately preceding supplemental count day.

18 (k) In a district, public school academy, university school,
19 or intermediate district operating an extended school year pro-
20 gram approved by the state board, a pupil enrolled, but not
21 scheduled to be in regular daily attendance on a pupil membership
22 count day, shall be counted.

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

1 high school diploma who is less than 26 years of age as of
2 September 1 of the current school year shall be counted in
3 membership.

4 (m) An individual who has obtained a high school diploma
5 shall not be counted in membership. An individual who has
6 obtained a general education development (G.E.D.) certificate
7 shall not be counted in membership. An individual participating
8 in a job training program funded under former section 107a or a
9 jobs program funded under former section 107b, both administered
10 by the Michigan jobs commission, or participating in any succes-
11 sor of either of those 2 programs, shall not be counted in
12 membership.

13 (n) If a pupil counted in membership in a public school
14 academy is also educated by a district or intermediate district
15 as part of a cooperative education program, the pupil shall be
16 counted in membership only in the public school academy, and the
17 instructional time scheduled for the pupil in the district or
18 intermediate district shall be included in the full-time equated
19 membership determination under subdivision (q). However, for
20 pupils receiving instruction in both a public school academy and
21 in a district or intermediate district but not as a part of a
22 cooperative education program, the following apply:

23 (i) If the public school academy provides instruction for at
24 least 1/2 of the class hours specified in subdivision (q), the
25 public school academy shall receive as its prorated share of the
26 full-time equated membership for each of those pupils an amount
27 equal to 1 times the product of the hours of instruction the

1 public school academy provides divided by the number of hours
2 specified in subdivision (q) for full-time equivalency, and the
3 remainder of the full-time membership for each of those pupils
4 shall be allocated to the district or intermediate district pro-
5 viding the remainder of the hours of instruction.

6 (ii) If the public school academy provides instruction for
7 less than 1/2 of the class hours specified in subdivision (q),
8 the district or intermediate district providing the remainder of
9 the hours of instruction shall receive as its prorated share of
10 the full-time equated membership for each of those pupils an
11 amount equal to 1 times the product of the hours of instruction
12 the district or intermediate district provides divided by the
13 number of hours specified in subdivision (q) for full-time equiv-
14 alency, and the remainder of the full-time membership for each of
15 those pupils shall be allocated to the public school academy.

16 (o) An individual less than 16 years of age as of September
17 1 of the current school year who is being educated in an alterna-
18 tive education program shall not be counted in membership if
19 there are also adult education participants being educated in the
20 same program or classroom.

21 (p) The department shall give a uniform interpretation of
22 full-time and part-time memberships.

23 (q) For the purposes of this subsection, full-time equated
24 memberships for pupils in grades 1 to 12 shall be determined by
25 dividing the number of class hours scheduled and provided per
26 year per pupil by ~~900 for 1994-95, and by 990 for 1995-96 and~~
27 990 FOR 1996-97. For 1997-98 AND succeeding fiscal years, the

1 number of class hours used to calculate full-time equated
2 memberships shall be consistent with section 1284 of the revised
3 school code, ~~being section 380.1284 of the Michigan Compiled~~
4 ~~Laws~~ MCL 380.1284. In determining full-time equated memberships
5 for pupils who are enrolled in a postsecondary institution under
6 the postsecondary enrollment options act, ~~Act No. 160 of the~~
7 ~~Public Acts of 1996, being sections 388.511 to 388.524 of the~~
8 ~~Michigan Compiled Laws~~ 1996 PA 160, MCL 388.511 TO 388.524, a
9 pupil shall not be considered to be less than a full-time equated
10 pupil solely because of the effect of his or her postsecondary
11 enrollment, including necessary travel time, on the number of
12 class hours provided by the district to the pupil.

13 (r) Full-time equated memberships for pupils in kindergarten
14 shall be determined by dividing the number of class hours sched-
15 uled and provided per year per kindergarten pupil by a number
16 equal to 1/2 the number used for determining full-time equated
17 memberships for pupils in grades 1 to 12.

18 (s) For a district that has qualified currently migrant
19 pupils enrolled in the district as of the pupil membership count
20 day who were not counted in membership in the district on the
21 supplemental count day for the immediately preceding school year,
22 as determined by the department using the criteria used for eli-
23 gibility for the migrant education program under the
24 Hawkins-Stafford elementary and secondary school improvement
25 amendments of 1988, Public Law 100-297, 102 Stat. 130, the number
26 of those pupils counted in the district's membership is 3/4 of

1 the number of those pupils counted on the pupil membership count
2 day only.

3 (t) For a district, university school, or public school
4 academy that has pupils enrolled in a grade level that was not
5 offered by the district, university school, or public school
6 academy in the immediately preceding school year, the number of
7 pupils enrolled in that grade level to be counted in membership
8 is the average of the number of those pupils enrolled and in reg-
9 ular daily attendance on the pupil membership count day and the
10 supplemental count day of the current school year, as determined
11 by the department. Membership shall be calculated by adding the
12 number of pupils registered for attendance in that grade level on
13 the pupil membership count day plus pupils received by transfer
14 and minus pupils lost as defined by rules promulgated by the
15 state board, and as corrected by subsequent department audit,
16 plus the final audited count from the supplemental count day for
17 the current school year, and dividing that sum by 2.

18 ~~-(v) For purposes of calculating membership for 1996-97~~
19 ~~only, the department shall use for the February 1996 supplemental~~
20 ~~count the definition of membership under this subsection that is~~
21 ~~in effect on the 1996-97 pupil membership count day.~~

22 (U) ~~-(x)~~ If a district is located wholly on an island and
23 the district's membership for 1995-96 was at least 80 but less
24 than 100 full-time equated pupils, the district's membership for
25 ~~1996-97~~ 1997-98 shall be considered to be 90 full-time equated
26 pupils or the district's actual ~~1996-97~~ 1997-98 membership,
27 whichever is greater.

1 ~~-(y) For 1996-97 only, if a district has individuals at~~
2 ~~least age 16 as of December 1 and less than age 20 as of~~
3 ~~September 1 of the school year who are enrolled in the district~~
4 ~~in a department-approved alternative education program and who~~
5 ~~were enrolled in an alternative education program operated~~
6 ~~through adult education in 1995-96 and therefore not counted in~~
7 ~~membership in a district on the 1996 supplemental count day, the~~
8 ~~number of those individuals counted in the district's membership~~
9 ~~is the number of those individuals counted as pupils on the~~
10 ~~district's 1996 pupil membership count day only.~~

11 (V) ~~-(z)~~ A pupil enrolled in a cooperative education pro-
12 gram may be counted in membership in the pupil's district of res-
13 idence with the written approval of all parties to the coopera-
14 tive agreement.

15 (W) ~~-(aa)~~ If, as a result of a disciplinary action, a dis-
16 trict determines through the district's alternative education
17 program that the best instructional placement for a pupil is in
18 the pupil's home, if that placement is authorized in writing by
19 the district superintendent and district alternative education
20 supervisor, and if the district provides appropriate instruction
21 as described in this subdivision to the pupil at the pupil's
22 home, the district may count the pupil in membership on a pro
23 rata basis, with the proration based on the number of hours of
24 instruction the district actually provides to the pupil divided
25 by the number of hours specified in subdivision (q) for full-time
26 equivalency. For the purposes of this subdivision, a district

1 shall be considered to be providing appropriate instruction if
2 all of the following are met:

3 (i) The district provides at least 2 nonconsecutive hours of
4 instruction per week to the pupil at the pupil's home under the
5 supervision of a certificated teacher.

6 (ii) The district provides instructional materials,
7 resources, and supplies, except computers, that are comparable to
8 those otherwise provided in the district's alternative education
9 program.

10 (iii) Course content is comparable to that in the district's
11 alternative education program.

12 (iv) Credit earned is awarded to the pupil and placed on the
13 pupil's transcript.

14 (X) ~~(bb)~~ A pupil enrolled in an alternative education pro-
15 gram described in section 25 shall be counted in membership in
16 the district or public school academy that expelled the pupil.

17 (5) "Public school academy" means a public school academy
18 operating under part 6a or 6b of the revised school code, ~~being~~
19 ~~sections 380.501 to 380.507 and 380.511 to 380.518 of the~~
20 ~~Michigan Compiled Laws~~ MCL 380.501 TO 380.507 AND 380.511 TO
21 380.518.

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

1 district of residence, for pupils enrolled in a public school
2 academy or university school, for pupils enrolled in a district
3 other than their district of residence under an intermediate dis-
4 trict schools of choice pilot program as described in section 91a
5 or former section 91 if the intermediate district and its con-
6 stituent districts have been exempted from section 105, or for
7 pupils enrolled in a district other than their district of resi-
8 dence but within the same intermediate district if the educating
9 district enrolls nonresident pupils in accordance with
10 section 105.

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

13 (a) Except as provided in subdivision (b), the fourth Friday
14 in September each school year.

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

17 (i) Fourth Friday in July.

18 (ii) Fourth Friday in September.

19 (iii) Second Friday in February.

20 (iv) Fourth Friday in April.

21 (8) "Rule" means a rule promulgated pursuant to the adminis-
22 trative procedures act of 1969, ~~Act No. 306 of the Public Acts~~
23 ~~of 1969, being sections 24.201 to 24.328 of the Michigan Compiled~~
24 ~~Laws~~ 1969 PA 306, MCL 24.201 TO 24.328.

25 (9) "The revised school code" means ~~Act No. 451 of the~~
26 ~~Public Acts of 1976, being sections 380.1 to 380.1852 of the~~
27 ~~Michigan Compiled Laws~~ 1976 PA 451, MCL 380.1 TO 380.1852.

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

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

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

6 (13) "Tuition pupil" means a pupil of school age attending
7 school in a district other than the pupil's district of residence
8 for whom tuition may be charged. Tuition pupil does not include
9 a pupil who is a special education pupil; a pupil enrolled in a
10 district other than the pupil's district of residence but within
11 the same intermediate district if the educating district enrolls
12 nonresident pupils in accordance with section 105; or a pupil
13 served by an intermediate district schools of choice pilot pro-
14 gram as described in section 91a or former section 91 if the
15 intermediate district and its constituent districts have been
16 exempted from section 105. A pupil's district of residence shall
17 not require a high school tuition pupil, as provided under sec-
18 tion 111, to attend another school district after the pupil has
19 been assigned to a school district.

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

23 (15) "Taxable value" means the taxable value of property as
24 determined under section 27a of the general property tax act,
25 ~~Act No. 206 of the Public Acts of 1893, being section 211.27a of~~
26 ~~the Michigan Compiled Laws 1893 PA 206, MCL 211.27A.~~

1 (16) "Total state aid" or "total state school aid" means the
2 total combined amount of all funds due to a district,
3 intermediate district, or other entity under all of the provi-
4 sions of this act.

5 (17) "University school" means an instructional program
6 operated by a public university under section 23 that meets the
7 requirements of section 23.

8 Sec. 11. (1) There is appropriated for the public schools
9 of this state and certain other state purposes relating to educa-
10 tion from the state school aid fund established by section 11 of
11 article IX of the state constitution of 1963 the sum of
12 ~~-\$7,618,289,000.00~~ \$8,691,400,000.00, and from the general fund
13 the sum of ~~-\$594,052,000.00~~ \$428,012,400.00, for the fiscal year
14 ending September 30, ~~1996~~ 1998. ~~In addition, available fed-~~
15 ~~eral funds are appropriated for 1995-96. Also, an additional~~
16 ~~\$26,000,000.00 is appropriated for 1995-96 from the uninsured~~
17 ~~employers' security fund to the state school aid fund, and that~~
18 ~~\$26,000,000.00 is then appropriated for 1995-96 from the state~~
19 ~~school aid fund to be used for the purposes of this act. There~~
20 ~~is appropriated for the public schools of this state and certain~~
21 ~~other state purposes relating to education from the state school~~
22 ~~aid fund established by section 11 of article IX of the state~~
23 ~~constitution of 1963 the sum of \$8,183,200,000.00, and from the~~
24 ~~general fund the sum of \$299,900,000.00, for the fiscal year~~
25 ~~ending September 30, 1997. Also, there is appropriated an addi-~~
26 ~~tional \$33,000,000.00 from the state school aid fund for the~~
27 ~~fiscal year ending September 30, 1997. However, if the director~~

~~1 of the department of management and budget determines that the~~
~~2 federal government has failed to enact comprehensive reforms in~~
~~3 the federal cash welfare and medicaid programs by October 1,~~
~~4 1996, and notifies the senate and house appropriations committees~~
~~5 of that determination, there is instead appropriated for 1996-97~~
~~6 from the state school aid fund the sum of \$8,230,000,000.00, and~~
~~7 from the general fund the sum of \$286,100,000.00. In addition,~~
~~8 there is created in the state school aid fund a separate contin-~~
~~9 gency fund in an amount equal to this \$13,800,000.00 adjustment~~
~~10 and there is created in the general fund a separate contingency~~
~~11 fund in an amount equal to this \$13,800,000.00 adjustment.~~
~~12 Contingency fund transfers are authorized for 1996-97 in an~~
~~13 amount necessary to reverse these adjustments. These transfers~~
~~14 shall conform with the provisions of section 393(2) of the man-~~
~~15 agement and budget act, Act No. 431 of the Public Acts of 1984,~~
~~16 being section 18.1393 of the Michigan Compiled Laws. Transfers~~
~~17 may restore all or part of each adjustment. In addition, avail-~~
~~18 able federal funds are appropriated for 1996-97 1997-98.~~
~~19 -(2) In addition to the appropriations under subsection (1),~~
~~20 for the fiscal year ending September 30, 1996 there is appropri-~~
~~21 ated \$174,500,000.00 from the reserve for health benefits for the~~
~~22 purposes of this act. From the general fund money appropriated~~
~~23 in subsection (1) for the fiscal year ending September 30, 1997,~~
~~24 there is appropriated from the general fund the sum of~~
~~25 \$96,638,400.00 to the local government payment fund for the pur-~~
~~26 pose of maintaining the state spending to local units of~~
~~27 government as required by section 30 of article IX of the state~~

1 ~~constitution of 1963 for the fiscal year ending September 30,~~
2 ~~1993. For the fiscal year ending September 30, 1997, there is~~
3 ~~appropriated from the local government payment fund the sum of~~
4 ~~\$96,638,400.00 to the general fund for transfer to the state~~
5 ~~school aid fund to support the purposes of this act for the~~
6 ~~1996-97 fiscal year.~~

7 (2) ~~-(3)-~~ The appropriations under this section shall be
8 allocated as provided in this act. Money appropriated under this
9 section from the general fund ~~—, from the reserve for health~~
10 ~~benefits,~~ and from available federal funds shall be expended to
11 fund the purposes of this act before the expenditure of money
12 appropriated under this section from the state school aid fund.
13 If the maximum amount appropriated under this section from the
14 state school aid fund for a fiscal year exceeds the amount neces-
15 sary to fully fund allocations under this act from the state
16 school aid fund, that excess amount shall not be expended in that
17 state fiscal year and shall not lapse to the general fund, but
18 instead shall remain in the state school aid fund.

19 (3) ~~-(4)-~~ IF THE REVENUE ESTIMATING PROCESS DESCRIBED IN
20 SECTION 20(13) DETERMINES THAT IT IS ESTIMATED THAT THE TOTAL
21 STATEWIDE NUMBER OF MEMBERSHIP PUPILS FOR THE SCHOOL YEAR ENDING
22 IN 1997-98 WILL BE GREATER THAN FOR THE SCHOOL YEAR ENDING IN
23 1996-97, THEN, IN ADDITION TO THE MONEY APPROPRIATED UNDER SUB-
24 SECTION (1), THERE IS APPROPRIATED TO THE STATE SCHOOL AID FUND
25 FROM THE GENERAL FUND FOR THE FISCAL YEAR ENDING SEPTEMBER 30,
26 1998 AN AMOUNT EQUAL TO THE PRODUCT OF THE AMOUNT OF THE BASIC
27 FOUNDATION ALLOWANCE FOR 1997-98 UNDER SECTION 20 TIMES THE

1 NUMBER OF PUPILS BY WHICH THE TOTAL STATEWIDE NUMBER OF
2 MEMBERSHIP PUPILS FOR THE SCHOOL YEAR ENDING IN 1997-98 IS ESTI-
3 MATED TO EXCEED THE TOTAL STATEWIDE NUMBER OF MEMBERSHIP PUPILS
4 FOR THE SCHOOL YEAR ENDING IN 1996-97, AND THAT AMOUNT IS APPRO-
5 PRIATED FROM THE STATE SCHOOL AID FUND, IN ADDITION TO THE MONEY
6 APPROPRIATED UNDER SUBSECTION (1), FOR THE PURPOSES OF THIS ACT
7 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1998. If the maximum
8 amount appropriated under this section from the state school aid
9 fund for a fiscal year, AFTER THE ADDITIONAL APPROPRIATION UNDER
10 THIS SUBSECTION, exceeds the amount available for expenditure
11 from the state school aid fund for that fiscal year, payments
12 under each section of this act shall be prorated on an equal per-
13 centage basis as necessary to reflect the amount available for
14 expenditure from the state school aid fund for that fiscal year.
15 However, beginning in 1996-97, if the department of treasury
16 determines that proration will be required under this subsection,
17 the department of treasury shall notify the director of the
18 department of management and budget, and the director of the
19 department of management and budget shall notify the legislature
20 at least 30 calendar days or 6 legislative session days, which-
21 ever is more, before the department reduces any payments under
22 this act because of the proration. During the 30 calendar day or
23 6 legislative session day period after that notification by the
24 director of the department of management and budget, the depart-
25 ment shall not reduce any payments under this act because of pro-
26 ration under this subsection. The legislature may prevent
27 proration from occurring by, within the 30 calendar day or 6

1 legislative session day period after that notification by the
2 department of management and budget, enacting legislation appro-
3 priating additional funds from the general fund, countercyclical
4 budget and economic stabilization fund, state school aid fund
5 balance, or another source to fund the amount of the projected
6 shortfall.

7 Sec. 17b. (1) Not later than October 20, November 20,
8 December 20, January 20, February 20, March 20, April 20, May 20,
9 and June 20, the department shall prepare a statement of the
10 amount to be distributed under this act in the installment to the
11 districts and intermediate districts and deliver the statement to
12 the state treasurer, and the state treasurer shall pay the
13 installments on each of those dates or on the next business day
14 following each of those dates. Except as otherwise provided in
15 this act, the portion of the district's or intermediate
16 district's state fiscal year entitlement to be included in each
17 installment shall be 1/9. However, the payments due to a dis-
18 trict in ~~1996-97~~ 1997-98 on April 20, May 20, and June 20 pur-
19 suant to this section each shall be reduced by an amount equal to
20 1/3 of the district's total additional payments in ~~1995-96~~
21 1996-97 under section ~~20g~~ 20C.

22 (2) The state treasurer shall make payment under this sec-
23 tion by drawing a warrant in favor of the treasurer of each dis-
24 trict or intermediate district for the amount payable to the dis-
25 trict or intermediate district according to the statement and
26 delivering the warrant to the treasurer of each district or
27 intermediate district, or if the state treasurer receives a

1 written request by the treasurer of the district or intermediate
2 district specifying an account, by electronic funds transfer to
3 that account of the amount payable to the district or intermedi-
4 ate district according to the statement. The department may make
5 adjustments in payments made under this section through addi-
6 tional payments when changes in law or errors in computation
7 cause the regularly scheduled payment to be less than the amount
8 to which the district or intermediate district is entitled pursu-
9 ant to this act.

10 (3) Except as otherwise specified in this act, grant pay-
11 ments under this act shall be paid according to subsection (1).

12 (4) Upon the written request of a district or intermediate
13 district and the submission of proof satisfactory to the depart-
14 ment of a need of a temporary and nonrecurring nature, the super-
15 intendent, with the written concurrence of the state treasurer
16 and the director of management and budget, may authorize an
17 advance release of funds due a district or intermediate district
18 under this act. Such an advance shall not cause funds to be paid
19 to a district or intermediate district more than 30 days earlier
20 than the established payment date for those funds.

21 Sec. 18. (1) Except as provided in another section of this
22 act, each district or other entity shall apply the money received
23 by the district or entity under this act to salaries and other
24 compensation of teachers and other employees, tuition, transpor-
25 tation, lighting, heating, ventilation, water service, the pur-
26 chase of textbooks which are designated by the board to be used
27 in the schools under the board's charge, other supplies, and any

1 other school operating expenditures defined in section 7.
2 However, not more than ~~20%~~ 5% of the total amount received by a
3 district under article 2 or intermediate district under article 8
4 may be transferred by the board to either the capital projects
5 fund or to the debt retirement fund for debt service. The money
6 shall not be applied or taken for a purpose other than as pro-
7 vided in this section. The department shall determine the rea-
8 sonableness of expenditures and may withhold from a recipient of
9 funds under this act the apportionment otherwise due for the
10 fiscal year following the discovery by the department of a viola-
11 tion by the recipient.

12 (2) For the purpose of determining the reasonableness of
13 expenditures and whether a violation of this act has occurred,
14 the department shall require that each district and intermediate
15 district have an audit of the district's or intermediate
16 district's financial and pupil accounting records conducted at
17 least annually at the expense of the district or intermediate
18 district, as applicable, by a certified public accountant or by
19 the intermediate district superintendent, as may be required by
20 the department, or in the case of a district of the first class
21 by a certified public accountant, the intermediate superinten-
22 dent, or the auditor general of the city. An intermediate
23 district's annual financial audit shall be accompanied by the
24 intermediate district's pupil accounting procedures report. A
25 district's or intermediate district's annual financial audit
26 shall include an analysis of the financial and pupil accounting
27 data used as the basis for distribution of state school aid. The

1 pupil accounting records and reports, audits, and management
2 letters are subject to requirements established in the auditing
3 and accounting manuals approved and published by the department.
4 Except as otherwise provided in this subsection, a district shall
5 file the annual financial audit reports with the intermediate
6 district not later than 120 days after the end of each school
7 fiscal year and the intermediate district shall forward the
8 annual financial audit reports for its constituent districts and
9 for the intermediate district, and the pupil accounting proce-
10 dures report for the pupil membership count day and supplemental
11 count day, to the department not later than November 15 of each
12 year. The annual financial audit reports and pupil accounting
13 procedures reports shall be available to the public in compliance
14 with the freedom of information act, ~~Act No. 442 of the Public~~
15 ~~Acts of 1976, being sections 15.231 to 15.246 of the Michigan~~
16 ~~Compiled Laws~~ 1976 PA 442, MCL 15.231 TO 15.246. Not later than
17 December 1 of each year, the department shall notify the depart-
18 ment of management and budget and the legislative appropriations
19 subcommittees responsible for review of the school aid budget of
20 districts and intermediate districts that have not filed an
21 annual financial audit and pupil accounting procedures report
22 required under this section for the school year ending in the
23 immediately preceding fiscal year.

24 (3) Each district and intermediate district shall file with
25 the department by November 15 of each year an annual comprehen-
26 sive financial report, known as "Form B", on a form and in the
27 manner prescribed by the department.

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

5 (5) If a district or intermediate district does not comply
6 with subsection (2) or (3), the department shall withhold all
7 state school aid due to the district or intermediate district
8 under this act, beginning with the next payment due to the dis-
9 trict or intermediate district, until the district or intermedi-
10 ate district complies with subsections (2) and (3). If the dis-
11 trict or intermediate district does not comply with
12 subsections (2) and (3) by the end of the fiscal year, the dis-
13 trict or intermediate district forfeits the amount withheld.

14 Sec. 20. (1) For ~~1996-97~~ 1997-98, the basic foundation
15 allowance is ~~-\$5,308.00~~ \$5,512.00 per membership pupil. THIS
16 AMOUNT IS CALCULATED BY MULTIPLYING THE REVENUE ADJUSTMENT BASE
17 FOR 1996-97 UNDER SUBSECTION (13) TIMES THE SUM OF 1 PLUS THE
18 COST OF LIVING INDEX UNDER SUBSECTION (13), THEN SUBTRACTING THE
19 REVENUE ADJUSTMENT BASE FOR 1996-97 UNDER SUBSECTION (13) FROM
20 THAT PRODUCT, AND THEN ADDING THIS DIFFERENCE TO THE AMOUNT OF
21 THE BASIC FOUNDATION ALLOWANCE UNDER THIS SECTION FOR 1996-97.

22 (2) From the appropriation in section 11, there is allocated
23 for ~~1996-97~~ 1997-98 an amount not to exceed ~~-\$7,954,642,700.00~~
24 \$8,611,250,000.00 to guarantee each district a foundation allow-
25 ance per membership pupil and to make payments under this section
26 to public school academies and university schools. The amount of
27 each district's foundation allowance shall be calculated as

1 provided in this section, using a basic foundation allowance for
2 ~~1996-97~~ 1997-98 in the amount specified in subsection (1). If
3 the maximum amount allocated under this section is not sufficient
4 to fully fund payments under this section BECAUSE THE ACTUAL
5 TOTAL STATEWIDE NUMBER OF MEMBERSHIP PUPILS FOR THE SCHOOL YEAR
6 ENDING IN THE CURRENT STATE FISCAL YEAR EXCEEDS THE NUMBER ESTI-
7 MATED FOR THE SCHOOL YEAR ENDING IN THE CURRENT STATE FISCAL YEAR
8 AT THE REVENUE ESTIMATING CONFERENCE CONDUCTED UNDER SECTION 367B
9 OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1367B,
10 THEN, FROM THE APPROPRIATION IN SECTION 11 THERE IS ALLOCATED FOR
11 1997-98 AN ADDITIONAL AMOUNT TO GUARANTEE FULL FUNDING OF EACH
12 DISTRICT'S FOUNDATION ALLOWANCE UNDER THIS SECTION AND OF THE
13 AMOUNT DUE UNDER THIS SECTION TO PUBLIC SCHOOL ACADEMIES AND UNI-
14 VERSITY SCHOOLS. THE AMOUNT OF THIS ADDITIONAL ALLOCATION SHALL
15 BE CALCULATED BY MULTIPLYING THE NUMBER OF MEMBERSHIP PUPILS BY
16 WHICH THE ACTUAL TOTAL STATEWIDE NUMBER OF MEMBERSHIP PUPILS FOR
17 THE SCHOOL YEAR ENDING IN THE CURRENT STATE FISCAL YEAR EXCEEDS
18 THE ESTIMATED NUMBER TIMES THE BASIC FOUNDATION ALLOWANCE FOR THE
19 CURRENT STATE FISCAL YEAR. IF, AFTER THIS ADDITIONAL ALLOCATION,
20 THE MAXIMUM AMOUNT ALLOCATED UNDER THIS SECTION IS STILL NOT SUF-
21 FICIENT TO FULLY FUND PAYMENTS UNDER THIS SECTION, and before any
22 proration required under section 11, the amount of the payment to
23 each district, university school, and public school academy shall
24 be prorated by reducing by an equal percentage the total payment
25 under this section to each district, university school, and
26 public school academy. However, if the department determines
27 that proration will be required under this section, the

1 superintendent of public instruction shall notify the department
2 of management and budget, and the department of management and
3 budget shall notify the legislature at least 30 calendar days or
4 6 legislative session days, whichever is more, before the depart-
5 ment reduces any payments under this section because of the
6 proration. During the 30 calendar day or 6 legislative session
7 day period after that notification by the department of manage-
8 ment and budget, the department shall not reduce any payments
9 under this section because of proration. The legislature may
10 prevent proration under this section from occurring by, within
11 the 30 calendar day or 6 legislative session day period after
12 that notification by the director, enacting legislation appropri-
13 ating additional funds from the general fund, countercyclical
14 budget and economic stabilization fund, state school aid fund
15 balance, or another source to ensure full foundation allowance
16 funding for each district, university school, and public school
17 academy.

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

23 (a) For a district that in the immediately preceding state
24 fiscal year had a foundation allowance at least equal to the sum
25 of \$4,200.00 plus the total dollar amount of all adjustments made
26 from 1994-95 to the immediately preceding state fiscal year in
27 the lowest foundation allowance among all districts, but less

1 than the basic foundation allowance in the immediately preceding
2 state fiscal year, the district shall receive a foundation allow-
3 ance in an amount equal to the sum of the district's foundation
4 allowance for the immediately preceding state fiscal year plus
5 the difference between twice the dollar amount of the adjustment
6 from the immediately preceding state fiscal year to the current
7 state fiscal year made in the basic foundation allowance and
8 [(the dollar amount of the adjustment from the immediately pre-
9 ceding state fiscal year to the current state fiscal year made in
10 the basic foundation allowance minus \$50.00) times (the differ-
11 ence between the district's foundation allowance for the immedi-
12 ately preceding state fiscal year and the sum of \$4,200.00 plus
13 the total dollar amount of all adjustments made from 1994-95 to
14 the immediately preceding state fiscal year in the lowest founda-
15 tion allowance among all districts) divided by the difference
16 between the basic foundation allowance for the current state
17 fiscal year and the sum of \$4,200.00 plus the total dollar amount
18 of all adjustments made from 1994-95 to the immediately preceding
19 state fiscal year in the lowest foundation allowance among all
20 districts]. However, the foundation allowance for a district
21 that had less than the basic foundation allowance in the immedi-
22 ately preceding state fiscal year shall not exceed the basic
23 foundation allowance for the current state fiscal year.

24 (b) For a district that in the immediately preceding state
25 fiscal year had a foundation allowance in an amount at least
26 equal to the amount of the basic foundation allowance for the
27 immediately preceding state fiscal year, the district shall

1 receive a foundation allowance in an amount equal to the sum of
2 the district's foundation allowance for the immediately preceding
3 state fiscal year plus the dollar amount of the adjustment from
4 the immediately preceding state fiscal year to the current state
5 fiscal year in the basic foundation allowance.

6 (4) To ensure that a district receives the district's foun-
7 dation allowance, there is allocated to each district a state
8 portion of the district's foundation allowance in an amount cal-
9 culated under this subsection. The state portion of a district's
10 foundation allowance is an amount equal to the district's founda-
11 tion allowance or \$6,500.00, whichever is less, minus the differ-
12 ence between the product of the taxable value per membership
13 pupil of all property in the district that is not a homestead or
14 qualified agricultural property times the lesser of 18 mills or
15 the number of mills of school operating taxes levied by the dis-
16 trict in 1993-94 and the quotient of the ad valorem property tax
17 revenue of the district captured under ~~Act No. 197 of the Public~~
18 ~~Acts of 1975, being sections 125.1651 to 125.1681 of the Michigan~~
19 ~~Compiled Laws~~ 1975 PA 197, MCL 125.1651 TO 125.1681, the tax
20 increment finance authority act, ~~Act No. 450 of the Public Acts~~
21 ~~of 1980, being sections 125.1801 to 125.1830 of the Michigan~~
22 ~~Compiled Laws~~ 1980 PA 450, MCL 125.1801 TO 125.1830, or the
23 local development financing act, ~~Act No. 281 of the Public Acts~~
24 ~~of 1986, being sections 125.2151 to 125.2174 of the Michigan~~
25 ~~Compiled Laws~~ 1986 PA 281, MCL 125.2151 TO 125.2174, divided by
26 the district's membership. For a district that has a millage
27 reduction required under section 31 of article IX of the state

1 constitution of 1963, the state portion of the district's
2 foundation allowance shall be calculated as if that reduction did
3 not occur. For ~~1996-97 and each succeeding~~ EACH fiscal year
4 AFTER 1994-95, the \$6,500.00 amount prescribed in this subsection
5 shall be adjusted EACH YEAR by an amount equal to the dollar
6 amount of the difference between the basic foundation allowance
7 for the current state fiscal year and \$5,000.00.

8 (5) The allocation under this section for a pupil shall be
9 based on the foundation allowance of the pupil's district of
10 residence. However, for a pupil enrolled pursuant to section 105
11 in a district other than the pupil's district of residence but
12 within the same intermediate district, the allocation under this
13 section shall be based on the lesser of the foundation allowance
14 of the pupil's district of residence or the foundation allowance
15 of the educating district. For a pupil in membership in a K-5,
16 K-6, or K-8 district who is enrolled in another district in a
17 grade not offered by the pupil's district of residence, the allo-
18 cation under this section shall be based on the foundation allow-
19 ance of the educating district if the educating district's foun-
20 dation allowance is greater than the foundation allowance of the
21 pupil's district of residence.

22 (6) Subject to subsection (7) and except as otherwise pro-
23 vided in this subsection, for pupils in membership in a public
24 school academy or a university school, there is allocated under
25 this section for ~~1996-97~~ 1997-98 to the authorizing body that
26 is the fiscal agent for a public school academy for forwarding to
27 the public school academy, or to the board of the public

1 university operating the university school, an amount per
2 membership pupil in the public school academy or university
3 school equal to the sum of the local school operating revenue per
4 membership pupil for the district in which the public school
5 academy or university school is located and the state portion of
6 that district's foundation allowance, or \$5,500.00, whichever is
7 less. For ~~1996-97 and each succeeding~~ EACH fiscal year AFTER
8 1994-95, the \$5,500.00 amount prescribed in this subsection shall
9 be adjusted EACH YEAR by an amount equal to the dollar amount of
10 the difference between the basic foundation allowance for the
11 current state fiscal year and \$5,000.00. Notwithstanding section
12 101(2), for a public school academy that begins operations in
13 ~~1996-97~~ 1997-98 after the pupil membership count day, the
14 amount per membership pupil calculated under this subsection
15 shall be adjusted by multiplying that amount per membership pupil
16 by the number of hours of pupil instruction provided by the
17 public school academy after it begins operations, as determined
18 by the department, divided by ~~990~~ THE NUMBER OF HOURS OF PUPIL
19 INSTRUCTION REQUIRED UNDER SECTION 1284 OF THE REVISED SCHOOL
20 CODE, MCL 380.1284. The result of this calculation shall not
21 exceed the amount per membership pupil otherwise calculated under
22 this subsection. Also, a public school academy that begins oper-
23 ations in ~~1996-97~~ 1997-98 after the pupil membership count day
24 shall not receive any funds under this section unless the public
25 school academy provides for the school year a number of hours of
26 pupil instruction that is at least in the same proportion to ~~990~~
27 ~~hours~~ THE NUMBER OF HOURS OF PUPIL INSTRUCTION REQUIRED UNDER

1 SECTION 1284 OF THE REVISED SCHOOL CODE, MCL 380.1284, as the
2 number of days of pupil instruction provided by the public school
3 academy for the school year is in proportion to ~~180 days~~ THE
4 NUMBER OF DAYS OF PUPIL INSTRUCTION REQUIRED UNDER SECTION 1284
5 OF THE REVISED SCHOOL CODE, MCL 380.1284.

6 ~~(7) If more than 25% of the pupils residing within a dis-~~
7 ~~trict are in membership in 1 or more public school academies~~
8 ~~located in the district, then the amount per membership pupil~~
9 ~~allocated under this section to the authorizing body that is the~~
10 ~~fiscal agent for a public school academy located in the district~~
11 ~~for forwarding to the public school academy shall be reduced by~~
12 ~~an amount equal to the difference between the product of the tax-~~
13 ~~able value per membership pupil of all property in the district~~
14 ~~that is not a homestead or qualified agricultural property times~~
15 ~~the lesser of 18 mills or the number of mills of school operating~~
16 ~~taxes levied by the district in 1993-94 and the quotient of the~~
17 ~~ad valorem property tax revenue of the district captured under~~
18 ~~Act No. 197 of the Public Acts of 1975, Act No. 450 of the Public~~
19 ~~Acts of 1980, or Act No. 281 of the Public Acts of 1986, divided~~
20 ~~by the district's membership, in the school fiscal year ending in~~
21 ~~the current state fiscal year, calculated as if the resident~~
22 ~~pupils in membership in 1 or more public school academies located~~
23 ~~in the district were in membership in the district. In order to~~
24 ~~receive state school aid under this act, a district described in~~
25 ~~this subsection shall pay to the authorizing body that is the~~
26 ~~fiscal agent for a public school academy located in the district~~
27 ~~for forwarding to the public school academy an amount equal to~~

1 ~~that local school operating revenue per membership pupil for each~~
2 ~~resident pupil in membership in the public school academy, as~~
3 ~~determined by the department.~~

4 (7) ~~—(8)—~~ If a district does not receive a payment under
5 subsection (9); if the number of mills the district may levy on a
6 homestead and qualified agricultural property under
7 section 1211(1) of the revised school code, ~~being~~
8 ~~section 380.1211 of the Michigan Compiled Laws~~ MCL 380.1211, is
9 0.5 mills or less; and if the district elects not to levy those
10 mills, the district instead shall receive a separate supplemental
11 payment under this subsection in an amount equal to the amount
12 the district would have received had it levied those mills, as
13 determined by the department of treasury. A district shall not
14 receive a separate supplemental payment under this subsection for
15 a fiscal year unless in the calendar year ending in the fiscal
16 year the district levies 18 mills or the number of mills of
17 school operating taxes levied by the district in 1993, whichever
18 is less, on property that is not a homestead or qualified agri-
19 cultural property.

20 (8) ~~—(9)—~~ For a district that had combined state and local
21 revenue per membership pupil in the 1993-94 state fiscal year of
22 more than \$6,500.00 and that had fewer than 350 pupils in member-
23 ship, if the district elects not to reduce the number of mills
24 from which a homestead and qualified agricultural property are
25 exempt and not to levy school operating taxes on a homestead and
26 qualified agricultural property as provided in section 1211(1)
27 of the revised school code, MCL 380.1211, and not to levy school

1 operating taxes on all property as provided in section 1211(2) of
2 the revised school code, MCL 380.1211, there is allocated under
3 this subsection for 1994-95 and each succeeding fiscal year a
4 separate supplemental payment in an amount equal to the amount
5 the district would have received per membership pupil had it
6 levied school operating taxes on a homestead and qualified agri-
7 cultural property at the rate authorized for the district under
8 section 1211(1) of the revised school code, MCL 380.1211, and
9 levied school operating taxes on all property at the rate autho-
10 rized for the district under section 1211(2) of the revised
11 school code, MCL 380.1211, as determined by the department of
12 treasury. A district shall not receive a separate supplemental
13 payment under this subsection for a fiscal year unless in the
14 calendar year ending in the fiscal year the district levies 18
15 mills or the number of mills of school operating taxes levied by
16 the district in 1993, whichever is less, on property that is not
17 a homestead or qualified agricultural property.

18 (9) ~~-(10)-~~ A district or public school academy may use any
19 funds allocated under this section in conjunction with any fed-
20 eral funds for which the district or public school academy other-
21 wise would be eligible.

22 (10) ~~-(11)-~~ For a district that is formed or reconfigured
23 after June 1, 1994 by consolidation of 2 or more districts or by
24 annexation, the resulting district's foundation allowance under
25 this section beginning after the effective date of the consolida-
26 tion or annexation shall be the average of the foundation
27 allowances of each of the original or affected districts,

1 calculated as provided in this section, weighted as to the
 2 percentage of pupils in total membership in the resulting dis-
 3 trict who reside in the geographic area of each of the original
 4 districts. If an affected district's foundation allowance is
 5 less than the basic foundation allowance, the amount of that
 6 district's foundation allowance shall be considered for the pur-
 7 pose of calculations under this subsection to be equal to the
 8 amount of the basic foundation allowance.

9 (11) ~~-(12)-~~ Each fraction used in making calculations under
 10 this section shall be rounded to the fourth decimal place and the
 11 dollar amount of an increase in the basic foundation allowance
 12 shall be rounded to the nearest whole dollar.

13 (12) ~~-(13)-~~ State payments related to payment of the founda-
 14 tion allowance for a special education pupil are not funded under
 15 this section but are instead funded under section 51a.

16 (13) ~~-(14)-~~ To assist the legislature in determining the
 17 basic foundation allowance for the subsequent state fiscal year,
 18 AND TO ENSURE ADEQUATE FUNDING FOR THE CURRENT STATE FISCAL YEAR
 19 IN THE EVENT THAT THE ACTUAL TOTAL STATEWIDE NUMBER OF MEMBERSHIP
 20 PUPILS EXCEEDS THE PRIOR YEAR'S ESTIMATE, each revenue estimating
 21 conference conducted under section 367b of the management and
 22 budget act, ~~Act No. 431 of the Public Acts of 1984, being sec-~~
 23 ~~tion 18.1367b of the Michigan Compiled Laws~~ 1984 PA 431, MCL
 24 18.1367B, shall calculate a pupil membership factor, a revenue
 25 adjustment ~~factor~~ BASE, and ~~an~~ A COST OF LIVING index as
 26 follows:

1 (a) The pupil membership factor shall be computed by
2 ~~dividing the estimated membership in the school year ending in~~
3 ~~the current state fiscal year~~ ESTIMATING THE TOTAL STATEWIDE
4 MEMBERSHIP, excluding intermediate district membership, ~~by the~~
5 ~~estimated membership~~ FOR THE SCHOOL YEAR ENDING IN THE IMMEDI-
6 ATELY PRECEDING STATE FISCAL YEAR, FOR THE SCHOOL YEAR ENDING IN
7 THE CURRENT STATE FISCAL YEAR, AND for the school year ending in
8 the subsequent state fiscal year. ~~, excluding intermediate dis-~~
9 ~~trict membership.~~ If a consensus membership factor is not deter-
10 mined at the revenue estimating conference, the principals of the
11 revenue estimating conference shall report their estimates to the
12 house and senate subcommittees responsible for school aid appro-
13 priations not later than 7 days after the conclusion of the reve-
14 nue conference.

15 (b) ~~The revenue adjustment factor shall be computed by~~
16 ~~dividing the sum of the estimated total state school aid fund~~
17 ~~revenue for the subsequent state fiscal year plus the estimated~~
18 ~~total state school aid fund revenue for the current state fiscal~~
19 ~~year, adjusted for any change in the rate or base of a tax the~~
20 ~~proceeds of which are deposited in that fund, by the sum of the~~
21 ~~estimated total school aid fund revenue for the current state~~
22 ~~fiscal year plus the estimated total state school aid fund reve-~~
23 ~~nue for the immediately preceding state fiscal year, adjusted for~~
24 ~~any change in the rate or base of a tax the proceeds of which are~~
25 ~~deposited in that fund. If a consensus revenue factor is not~~
26 ~~determined at the revenue estimating conference, the principals~~
27 ~~of the revenue estimating conference shall report their estimates~~

~~1 to the house and senate subcommittees responsible for school aid~~
~~2 appropriations not later than 7 days after the conclusion of the~~
~~3 revenue conference.~~ THE REVENUE ADJUSTMENT BASE IS AN AMOUNT
4 EQUAL TO THE GREATEST FOUNDATION ALLOWANCE FOR THE CURRENT STATE
5 FISCAL YEAR AMONG ALL DISTRICTS THAT HAD COMBINED STATE AND LOCAL
6 REVENUE PER MEMBERSHIP PUPIL IN THE 1993-94 STATE FISCAL YEAR,
7 CALCULATED USING THE DEFINITIONS IN EFFECT FOR 1994-95, OF
8 \$6,500.00 OR LESS.

9 (c) ~~The index shall be calculated by multiplying the pupil~~
10 ~~membership factor by the revenue adjustment factor. If a consen-~~
11 ~~sus index is not determined at the revenue estimating conference,~~
12 ~~the principals of the revenue estimating conference shall report~~
13 ~~their estimates to the house and senate subcommittees responsible~~
14 ~~for school aid appropriations not later than 7 days after the~~
15 ~~conclusion of the revenue conference.~~ THE COST OF LIVING INDEX
16 IS THE ANNUAL PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX FOR
17 ALL URBAN CONSUMERS, AS REPORTED BY THE UNITED STATES DEPARTMENT
18 OF LABOR IN JANUARY OF THE FISCAL YEAR IMMEDIATELY PRECEDING THE
19 CURRENT STATE FISCAL YEAR.

20 ~~(15) If the principals at the revenue estimating conference~~
21 ~~reach a consensus on the index described in subsection (14)(c),~~
22 ~~the basic foundation allowance for the subsequent state fiscal~~
23 ~~year shall be at least the amount of that consensus index multi-~~
24 ~~plied by the basic foundation allowance specified in subsection~~
25 ~~(1).~~

26 ~~(16) If the pupil membership, excluding intermediate~~
27 ~~district membership, for the school year ending in the next state~~

~~1 fiscal year is estimated at the January revenue estimating
2 conference to be greater than 101% of the pupil membership,
3 excluding intermediate district membership, for the school year
4 ending in the current state fiscal year, then it is the intent of
5 the legislature that the executive budget proposal for the school
6 aid budget in the subsequent state fiscal year incorporate a gen-
7 eral fund/general purpose allocation that is greater than the
8 general fund/general purpose allocation in the current fiscal
9 year, to support the estimated membership in excess of 101% of
10 the membership in the current year.~~

11 (14) ~~-(17)-~~ As used in this section:

12 (a) "Combined state and local revenue per membership pupil"
13 means the aggregate of the district's state school aid received
14 by or paid on behalf of the district under this section and the
15 district's local school operating revenue, divided by the
16 district's membership.

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

19 (c) "Homestead" means that term as defined in section 1211
20 of the revised school code, MCL 380.1211.

21 (d) "Immediately preceding state fiscal year" means the
22 state fiscal year immediately preceding the current state fiscal
23 year.

24 (e) "Local school operating revenue" means school operating
25 taxes levied under section 1211 of the revised school code, MCL
26 380.1211.

1 (f) "Local school operating revenue per membership pupil"
2 means a district's local school operating revenue divided by the
3 district's membership.

4 (g) "Membership" means the definition of that term under
5 section 6 as in effect for the particular fiscal year for which a
6 particular calculation is made.

7 (h) "Qualified agricultural property" means that term as
8 defined in section 1211 of the revised school code, MCL
9 380.1211.

10 (i) "School operating purposes" means the purposes included
11 in the operation costs of the district as prescribed in
12 sections 7 and 18.

13 (j) "School operating taxes" means local ad valorem property
14 taxes levied under section 1211 of the revised school code, MCL
15 380.1211, and retained for school operating purposes.

16 (k) "Taxable value per membership pupil" means taxable
17 value, as certified by the department of treasury, for the calen-
18 dar year ending in the current state fiscal year divided by the
19 district's membership for the school year ending in the current
20 state fiscal year.

21 Sec. 20c. (1) From the appropriation in section 11, there
22 is allocated for ~~1996-97~~ 1997-98 an amount not to exceed
23 \$190,000,000.00 for making an additional payment to districts for
24 ~~1996-97~~ 1997-98 only. The payment shall be made by the state
25 treasurer in 2 equal installments, on August 20, ~~1997~~ 1998 and
26 September 20, ~~1997~~ 1998, or on the next succeeding business
27 day.

1 (2) The amount of the payment to a district under this
2 section shall be calculated by dividing \$190,000,000.00 by the
3 total statewide membership of all districts and multiplying that
4 quotient times the district's membership. If a public school
5 academy demonstrates to the department that it was authorized as
6 a public school academy under the revised school code before
7 August 1, ~~1997~~ 1998 and that it is planning to operate as a
8 public school academy for the entire ~~1997-98~~ 1998-99 school
9 year, then for the purpose of calculating payments under this
10 section to the public school academy, the public school academy
11 shall be considered to have a membership equal to an estimated
12 pupil count for the ~~1997-98~~ 1998-99 pupil membership count day,
13 as submitted by the authorizing body to the department and as
14 approved by the department. If a public school academy that
15 receives a payment under this section in ~~1996-97~~ 1997-98 does
16 not operate for the entire ~~1997-98~~ 1998-99 school year, the
17 public school academy is liable to the department for, and shall
18 repay to the department, the entire amount of that payment to the
19 public school academy plus any costs and attorney fees incurred
20 by the state in collecting the repayment.

21 (3) The payments under this section are estimated advance
22 payments of the state foundation allowance and supplemental
23 allowance under section 20 for the state fiscal year ending
24 September 30, ~~1998~~ 1999. A district shall not accrue a payment
25 under this section to the school fiscal year ending June 30,
26 ~~1997~~ 1998.

1 Sec. 20i. (1) From the amount ~~allocated~~ APPROPRIATED in
2 section ~~20~~ 11, THERE IS ALLOCATED for ~~1996-97,~~ 1997-98 an
3 amount not to exceed ~~\$3,000,000.00 shall be used~~ \$3,090,000.00
4 to provide funding UNDER THIS SECTION for districts experiencing
5 large pupil membership growth.

6 (2) A district is eligible to receive funding under this
7 section if the district's actual pupil count as of the ~~1997-~~
8 1998 supplemental count day is at least 30 pupils more than the
9 district's actual pupil count as of the ~~1996-~~ 1997 supplemental
10 count day and is at least 101.5% of the district's actual pupil
11 count as of the ~~1996-~~ 1997 supplemental count day.

12 (3) The amount of the payment to a district under this sec-
13 tion shall be calculated by multiplying the lesser of an amount
14 equal to 25% of the district's foundation allowance under
15 section 20 or an amount equal to 25% of \$6,500.00 as adjusted by
16 the dollar amount of the difference between the ~~1996-97~~ 1997-98
17 basic foundation allowance under section 20 and \$5,000.00, times
18 the difference between the district's actual pupil count as of
19 the ~~1997-~~ 1998 supplemental count day and the sum of the
20 district's actual pupil count as of the ~~1996-~~ 1997 supplemental
21 count day plus 30.

22 ~~(4) For the purposes of this section, a district's actual~~
23 ~~pupil count as of the 1997 supplemental count day does not~~
24 ~~include pupils enrolled in alternative education through adult~~
25 ~~education in 1995-96.~~

26 (4) ~~(5)~~ Payments under this section shall commence with
27 the April ~~1997-~~ 1998 payment.

1 (5) ~~-(6)-~~ Payments under this section shall be adjusted upon
2 receipt of audited membership data.

3 (6) ~~-(7)-~~ The department shall prorate payments under this
4 section as necessary.

5 SEC. 21A. (1) FROM THE APPROPRIATION IN SECTION 11, THERE
6 IS ALLOCATED FOR 1997-98 AN AMOUNT NOT TO EXCEED \$20,000,000.00
7 TO MAKE PAYMENTS UNDER THIS SECTION TO EACH DISTRICT THAT LEVIES
8 DEBT MILLAGE IN AN AMOUNT PER MEMBERSHIP PUPIL SUFFICIENT TO
9 GUARANTEE THE DISTRICT A COMBINED STATE-LOCAL YIELD OR GROSS
10 ALLOWANCE OF \$111.00 PER MEMBERSHIP PUPIL FOR EACH MILL OF DEBT
11 MILLAGE LEVIED BY THE DISTRICT. THE NET ALLOCATION FOR EACH DIS-
12 TRICT SHALL BE AN AMOUNT PER MEMBERSHIP PUPIL COMPUTED BY SUB-
13 TRACTING FROM THE GROSS ALLOWANCE FOR THE DISTRICT UNDER THIS
14 SECTION THE PRODUCT OF THE DISTRICT'S TAXABLE VALUE PER MEMBER-
15 SHIP PUPIL AND THE NUMBER OF MILLS OF DEBT MILLAGE USED FOR COM-
16 PUTING THE DISTRICT'S GROSS ALLOWANCE. ALL CALCULATIONS UNDER
17 THIS SECTION SHALL BE MADE BY THE DEPARTMENT USING THE NUMBER OF
18 MEMBERSHIP PUPILS FOR THE SCHOOL YEAR ENDING IN THE IMMEDIATELY
19 PRECEDING STATE FISCAL YEAR, THE NUMBER OF MILLS OF DEBT MILLAGE
20 LEVIED BY THE DISTRICT IN THE CALENDAR YEAR ENDING IN THE IMMEDI-
21 ATELY PRECEDING STATE FISCAL YEAR, AND THE TAXABLE VALUE OF THE
22 DISTRICT FOR THE CALENDAR YEAR ENDING IN THE IMMEDIATELY PRECED-
23 ING STATE FISCAL YEAR.

24 (2) TO RECEIVE FUNDING UNDER THIS SECTION, A DISTRICT SHALL
25 PROVIDE TO THE DEPARTMENT IN THE FORM AND MANNER PRESCRIBED BY
26 THE DEPARTMENT ALL INFORMATION THE DEPARTMENT CONSIDERS NECESSARY
27 TO CALCULATE PAYMENTS UNDER THIS ACT.

1 (3) IF THE AMOUNT ALLOCATED UNDER THIS SECTION IS NOT
2 SUFFICIENT TO FULLY FUND PAYMENTS DUE UNDER THIS SECTION, THE
3 DEPARTMENT SHALL PRORATE PAYMENTS UNDER THIS SECTION ON AN EQUAL
4 PER PUPIL BASIS.

5 (4) AS USED IN THIS SECTION, "DEBT MILLAGE" MEANS MILLAGE
6 LEVIED TO REPAY BONDS ISSUED UNDER SECTION 1351 OR 1351A OF THE
7 REVISED SCHOOL CODE, MCL 380.1351 AND 380.1351A.

8 Sec. 24. (1) Subject to subsection (2), from the appropria-
9 tion in section 11, there is allocated for ~~1996-97~~ 1997-98 to
10 the educating district or intermediate district an amount equal
11 to 100% of the added cost for educating pupils assigned by a
12 court or the family independence agency to reside in or to attend
13 a juvenile detention facility or child caring institution
14 licensed by the family independence agency and approved by the
15 department to provide an on-grounds education program. The total
16 amount to be paid for ~~1996-97~~ 1997-98 under this section for
17 added cost shall not exceed ~~\$7,000,000.00~~ \$7,210,000.00. For
18 the purposes of this section, "added cost" shall be computed by
19 deducting all other revenue received under this act for pupils
20 described in this section from total costs, as approved by the
21 department, for educating those pupils in the on-grounds educa-
22 tion program or in a program approved by the department that is
23 located on property adjacent to a juvenile detention facility or
24 child caring institution. Costs reimbursed by federal funds are
25 not included.

26 (2) A district or intermediate district educating pupils
27 described in this section at a residential child caring

1 institution may operate, and receive funding under this section
2 for, a department-approved on-grounds educational program for
3 those pupils that is longer than 180 days, but not longer than
4 233 days, if the child caring institution offered in 1991-92 an
5 on-grounds educational program longer than 180 days but not
6 longer than 233 days.

7 (3) Special education pupils funded under section 53a shall
8 not be funded under this section.

9 Sec. 31a. (1) From the appropriation in section 11, there
10 is allocated for ~~1996-97~~ 1997-98 an amount not to exceed
11 ~~-\$230,000,000.00~~ \$236,900,000.00 for payments to eligible dis-
12 tricts and eligible public school academies under this section.
13 Subject to subsection (11), the amount of the additional allow-
14 ance under this section shall be based on the number of actual
15 pupils in membership in the district or public school academy who
16 met the income eligibility criteria for free breakfast, lunch, or
17 milk in the immediately preceding state fiscal year, as deter-
18 mined under the national school lunch act, chapter 281,
19 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765
20 to 1766b, and 1769 to 1769h, and reported to the department by
21 December 31 of the immediately preceding fiscal year. However,
22 for a public school academy that began operations as a public
23 school academy after the pupil membership count day of the imme-
24 diately preceding school year, the basis for the additional
25 allowance under this section shall be the number of actual pupils
26 in membership in the public school academy who met the income
27 eligibility criteria for free breakfast, lunch, or milk in the

1 current state fiscal year, as determined under the national
2 school lunch act.

3 (2) To be eligible to receive funding under this section, a
4 district or public school academy that has not been previously
5 determined to be eligible shall apply to the department, in a
6 form and manner prescribed by the department, and a district or
7 public school academy must meet all of the following:

8 (a) The district's or public school academy's combined state
9 and local revenue per membership pupil in the current state
10 fiscal year, as calculated under section 20, is less than or
11 equal to \$6,500.00 adjusted by the dollar amount of the differ-
12 ence between the basic foundation allowance under section 20 for
13 the current state fiscal year and \$5,000.00.

14 (b) The district or public school academy agrees to use the
15 funding only for purposes allowed under this section and to
16 comply with the program and accountability requirements under
17 this section.

18 (3) An eligible district or eligible public school academy
19 shall receive under this section for each membership pupil in the
20 district or public school academy who met the income eligibility
21 criteria for free breakfast, lunch, or milk, as determined under
22 the national school lunch act and as reported to the department
23 by October 31 of the immediately preceding fiscal year and
24 adjusted not later than December 31 of the immediately preceding
25 fiscal year, an amount per pupil equal to 11.5% of the district's
26 foundation allowance, not to exceed \$6,500.00 adjusted by the
27 dollar amount of the difference between the basic foundation

1 allowance under section 20 for the current state fiscal year and
2 \$5,000.00, or of the public school academy's per membership pupil
3 allocation under section 20 for the current state fiscal year.
4 However, a public school academy that began operations as a
5 public school academy after the pupil membership count day of the
6 immediately preceding school year shall receive under this sec-
7 tion for each membership pupil in the public school academy who
8 met the income eligibility criteria for free breakfast, lunch, or
9 milk, as determined under the national school lunch act and as
10 reported to the department by October 31 of the current fiscal
11 year and adjusted not later than December 31 of the current
12 fiscal year, an amount per pupil equal to 11.5% of the public
13 school academy's per membership pupil allocation under section 20
14 for the current state fiscal year.

15 (4) Except as otherwise provided in this section, a district
16 or public school academy receiving funding under this section
17 shall use that money only to provide instructional programs and
18 direct noninstructional services, including, but not limited to,
19 medical or counseling services, for at-risk pupils and for the
20 purposes of subsection (5) and shall not use any of that money
21 for administrative costs or to supplant funds, except for funds
22 allocated to the district or public school academy under this
23 section in the immediately preceding year and already being used
24 by the district or public school academy for at-risk pupils. The
25 instruction or direct noninstructional services provided under
26 this section may be conducted before or after regular school
27 hours or by adding extra school days to the school year and may

1 be conducted using a tutorial method, with paraprofessionals
2 working under the supervision of a certificated teacher. The
3 ratio of pupils to paraprofessionals shall be between 10:1 and
4 15:1. Only 1 certificated teacher is required to supervise
5 instruction using a tutorial method.

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

14 (6) In order to provide accountability for the program
15 funded under this section, the superintendent of a district or
16 chief executive of a public school academy shall submit to the
17 department, in a succinct form and manner prescribed by the
18 department, a written assurance of the district's or public
19 school academy's compliance with all provisions of this section
20 by May 20 of the current fiscal year. In addition, each district
21 or public school academy receiving funds under this section shall
22 submit to the department by that date a report, not to exceed 10
23 pages, on the usage by the district or public school academy of
24 funds under this section, which report shall include at least a
25 brief description of each program conducted by the district or
26 public school academy using funds under this section, the amount
27 of funds under this section allocated to each of those programs,

1 and the number of at-risk pupils served by each of those
2 programs. If a district or public school academy does not comply
3 with this subsection, the department shall withhold an amount
4 equal to the June payment due under this section until the dis-
5 trict or public school academy complies with this subsection. If
6 the district or public school academy does not comply with this
7 subsection by the end of the state fiscal year, the withheld
8 funds shall be forfeited to the school aid fund.

9 (7) In order to receive funds under this section, a district
10 or public school academy shall allow access for the department or
11 the department's designee to audit all records related to the
12 program for which it receives those funds. The district or
13 public school academy shall reimburse the state for all disallow-
14 ances found in the audit.

15 (8) Subject to subsection (5), any district may use up to
16 100% of the funds it receives under this section to reduce the
17 ratio of pupils to teachers in grades K-6, or any combination of
18 those grades, in school buildings in which the percentage of
19 pupils described in subsection (1) exceeds the district's aggre-
20 gate percentage of those pupils. Subject to subsection (5), if a
21 district obtains a waiver from the department, the district may
22 use up to 100% of the funds it receives under this section to
23 reduce the ratio of pupils to teachers in grades K-6, or any com-
24 bination of those grades, in school buildings in which the per-
25 centage of pupils described in subsection (1) is at least 60% of
26 the district's aggregate percentage of those pupils and at least
27 35% of the total number of pupils enrolled in the school

1 building. To obtain a waiver, a district must apply to the
 2 department and demonstrate to the satisfaction of the department
 3 that the class size reductions would be in the best interests of
 4 the district's at-risk 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 (5), 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 ~~(9) -(10)-~~ A district or public school academy may use funds
 21 received under this section for adult high school completion,
 22 general education development (G.E.D.) test preparation, or
 23 adult basic education programs described in section ~~-107-~~ 107A.

24 ~~(10) -(11)-~~ If necessary, and before any proration required
 25 under section 11, the department shall prorate payments under
 26 this section by reducing the amount of the per pupil payment
 27 under this section by a dollar amount calculated by determining

1 the amount by which the amount necessary to fully fund the
2 requirements of this section exceeds the maximum amount allocated
3 under this section and then dividing that amount by the total
4 statewide number of pupils who met the income eligibility cri-
5 teria for free breakfast, lunch, or milk in the immediately pre-
6 ceding fiscal year, as described in subsection (1).

7 (11) ~~-(12)-~~ If a district is formed by consolidation after
8 June 1, 1995, and if 1 or more of the original districts was not
9 eligible before the consolidation for an additional allowance
10 under this section, the amount of the additional allowance under
11 this section for the consolidated district shall be based on the
12 number of pupils described in subsection (1) enrolled in the con-
13 solidated district who reside in the territory of an original
14 district that was eligible before the consolidation for an addi-
15 tional allowance under this section.

16 (12) ~~-(13)-~~ As used in this section, "at-risk pupil" means a
17 pupil for whom the district has documentation that the pupil
18 meets at least 2 of the following criteria: is a victim of child
19 abuse or neglect; is below grade level in English language and
20 communication skills or mathematics; is a pregnant teenager or
21 teenage parent; is eligible for a federal free or reduced-price
22 lunch subsidy; has atypical behavior or attendance patterns; or
23 has a family history of school failure, incarceration, or sub-
24 stance abuse. For pupils for whom the results of at least the
25 applicable MEAP test have been received, at-risk pupil also
26 includes a pupil who does not meet the other criteria under this
27 subsection but who did not achieve at least a score of moderate

1 on the most recent MEAP reading test for which results for the
2 pupil have been received, did not achieve at least a score of
3 moderate on the most recent MEAP mathematics test for which
4 results for the pupil have been received, or achieved less than
5 50% of the objectives on the most recent MEAP science test for
6 which results for the pupil have been received. For pupils in
7 grades K-3, at-risk pupil also includes a pupil who is at risk of
8 not meeting the district's core academic curricular objectives in
9 English language, communication skills, or mathematics.

10 Sec. 36. (1) From the appropriation in section 11, there is
11 allocated an amount not to exceed ~~-\$52,730,500.00-~~ \$67,980,500.00
12 for school readiness grants in ~~1996-97-~~ 1997-98 to enable eligi-
13 ble districts, as determined under section 37, to develop or
14 expand, in conjunction with whatever federal funds may be avail-
15 able, including, but not limited to, federal funds under title I
16 of the elementary and secondary education act of 1965, Public Law
17 89-10, 108 Stat. 3519, chapter 1 of the Hawkins-Stafford elemen-
18 tary and secondary school improvement amendments of 1988, Public
19 Law 100-297, and the head start act, subchapter B of chapter 8 of
20 subtitle A of title VI of the omnibus budget reconciliation act
21 of 1981, Public Law 97-35, 42 U.S.C. 9831 to 9835, 9836 to 9844,
22 9846, and 9848 to 9852a, comprehensive compensatory programs
23 designed to improve the readiness and subsequent achievement of
24 educationally disadvantaged children as defined by the department
25 who will be at least 4, but less than 5 years of age, as of
26 December 1 of the school year in which the programs are offered,
27 and who show evidence of 2 or more risk factors as defined in the

1 state board report entitled "children at risk" that was adopted
2 by the state board on April 5, 1988. A comprehensive compensa-
3 tory program funded under this section shall include an
4 age-appropriate educational curriculum, nutritional services,
5 health screening for participating children, a plan for parent
6 and legal guardian involvement, and provision of referral serv-
7 ices for families eligible for community social services.

8 (2) A district receiving a grant under this section may con-
9 tract for the provision of the comprehensive compensatory program
10 and retain for administrative services an amount equal to not
11 more than 5% of the grant amount.

12 (3) IN ADDITION TO THE ALLOCATION UNDER SUBSECTION (1), FROM
13 THE GENERAL FUND APPROPRIATION UNDER SECTION 11 THERE IS ALLO-
14 CATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED \$250,000.00 FOR
15 1997-98 FOR AN EVALUATION OF THE EFFECTIVENESS OF THE PROGRAMS
16 FUNDED UNDER THIS SECTION. THE DEPARTMENT SHALL CONDUCT THE
17 EVALUATION ITSELF OR CONTRACT FOR THE EVALUATION. THE EVALUATION
18 SHALL FOCUS ON WHETHER PROGRAMS FUNDED UNDER THIS SECTION ARE
19 IMPROVING THE SCHOOL READINESS AND SUBSEQUENT ACHIEVEMENT OF EDU-
20 CATIONALLY DISADVANTAGED CHILDREN. THE DEPARTMENT SHALL SUBMIT
21 THE EVALUATION TO THE HOUSE AND SENATE APPROPRIATIONS COMMITTEES
22 NOT LATER THAN MARCH 30, 1998.

23 (4) IN ADDITION TO THE ALLOCATIONS UNDER SUBSECTIONS (1) AND
24 (3), FROM THE APPROPRIATION UNDER SECTION 11 THERE IS ALLOCATED
25 AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 1997-98 FOR PROFES-
26 SIONAL DEVELOPMENT FOR EARLY CHILDHOOD TEACHERS AND
27 PARAPROFESSIONALS EMPLOYED IN PROGRAMS FUNDED UNDER THIS

1 SECTION. THE ALLOCATION UNDER THIS SUBSECTION SHALL BE
2 DISTRIBUTED TO ELIGIBLE DISTRICTS ON A PER CHILD BASIS, BASED ON
3 THE NUMBER OF CHILDREN FOR WHOM THE DISTRICT RECEIVES FUNDING AS
4 DETERMINED UNDER SECTION 39. MONEY RECEIVED UNDER THIS SUBSEC-
5 TION SHALL BE USED FOR IMPROVING INSTRUCTIONAL SKILLS.

6 Sec. 39. (1) The tentative allocation in ~~1996-97~~ 1997-98
7 to each eligible district under section 36 shall be determined by
8 multiplying the number of children determined in section 38 or
9 the number of children the district indicates it will be able to
10 serve under section 37(2)(c), whichever is less, by ~~\$3,000.00~~
11 \$3,115.00 and shall be distributed among districts in decreasing
12 order of concentration of eligible children as determined by
13 section 38 until the money allocated in section 36 is
14 distributed. FOR EACH FISCAL YEAR AFTER 1996-97, THE DOLLAR
15 AMOUNT OF THE FUNDING PER CHILD UNDER THIS SUBSECTION SHALL BE
16 ADJUSTED EACH FISCAL YEAR BY THE SAME PERCENTAGE AS THE CHANGE IN
17 THE AMOUNT OF THE BASIC FOUNDATION ALLOWANCE UNDER SECTION 20.

18 (2) A district that has not less than 50 eligible children
19 shall receive priority over other eligible districts other than
20 those districts funded under subsection (3).

21 (3) A district that received funds under this section in at
22 least 1 of the 2 immediately preceding fiscal years shall receive
23 priority in funding over other eligible districts. However,
24 funding beyond 3 state fiscal years is contingent upon the avail-
25 ability of funds and documented evidence satisfactory to the
26 department of compliance with all operational, fiscal,
27 administrative, and other program requirements.

1 (4) A district that offers supplementary day care funded by
2 funds other than those received under this section and therefore
3 offers full-day programs as part of its early childhood develop-
4 ment program shall receive priority in the allocation of funds
5 under this section over other eligible districts other than those
6 districts funded under subsection (3).

7 (5) For any district with 315 or more eligible pupils, the
8 number of eligible pupils shall be 65% of the number calculated
9 under section 38. However, none of these districts may have less
10 than 315 pupils for purposes of calculating the tentative alloca-
11 tion under section 36.

12 (6) If, taking into account the total amount to be allocated
13 to the district as calculated under this section, a district
14 determines that it is able to include additional eligible chil-
15 dren in the school readiness program without additional funds
16 under this section, the district may include additional eligible
17 children but shall not receive additional funding under this sec-
18 tion for those children.

19 (7) The family independence agency and the department shall
20 develop a joint application process and form for those partici-
21 pants who meet the eligibility criteria for the unified child day
22 care program.

23 Sec. 41. From the appropriation in section 11, there is
24 allocated an amount not to exceed ~~-\$4,212,000.00-~~ \$4,338,400.00
25 for ~~1996-97~~ 1997-98 to applicant districts and intermediate
26 districts offering programs of bilingual instruction for pupils
27 of limited English-speaking ability under section 1153 of the

1 revised school code, ~~being section 380.1153 of the Michigan~~
2 ~~Compiled Laws~~ MCL 380.1153. Reimbursement shall be on a per
3 pupil basis and shall be based on the number of pupils of limited
4 English-speaking ability in membership on the pupil membership
5 count day. Funds allocated under this section shall be used
6 solely for bilingual instruction in speaking, reading, writing,
7 or comprehension of pupils of limited English-speaking ability.

8 Sec. 51a. (1) From the appropriation in section 11, there
9 is allocated ~~-\$273,573,100.00-~~ \$279,590,300.00 for ~~1996-97-~~
10 1997-98 to consist of an amount not to exceed ~~-\$200,573,100.00-~~
11 \$206,590,300.00 from state sources and \$73,000,000.00 in federal
12 funding under sections 611 to 620 of part B of the individuals
13 with disabilities education act, title VI of Public Law 91-230,
14 20 U.S.C. 1411 to 1420, plus any carryover federal funds from
15 previous year appropriations, for the purpose of reimbursing dis-
16 tricts and intermediate districts for special education programs,
17 services, and special education personnel as prescribed in arti-
18 cle 3 of the revised school code, ~~being sections 380.1701 to~~
19 ~~380.1766 of the Michigan Compiled Laws~~ MCL 380.1701 TO 380.1766;
20 net tuition payments made by intermediate districts to the
21 Michigan school for the deaf and blind; and programs for pupils
22 with handicaps as defined by the department. For meeting the
23 costs of special education programs and services not reimbursed
24 under this article, a district or intermediate district may use
25 money in general funds or special education funds, not otherwise
26 restricted, or contributions from districts to intermediate
27 districts, tuition payments, gifts and contributions from

1 individuals, or federal funds that may be available for this
2 purpose, as determined by the intermediate district plan prepared
3 pursuant to article 3 of the revised school code, MCL 380.1701 TO
4 380.1766.

5 (2) From the funds allocated in section 20, there is allo-
6 cated to this section for ~~1996-97~~ 1997-98 for the purpose of
7 reimbursing districts for total approved costs of special educa-
8 tion an additional sum calculated by adding the products of the
9 state portion of the foundation allowance of each district as
10 determined under section 20 times the number of special education
11 full-time equated pupil memberships reported by each district
12 pursuant to section 6(4), and, from that allocation, there is
13 allocated to each district for ~~1996-97~~ 1997-98 an amount equal
14 to the product of the state portion of the district's foundation
15 allowance as determined under section 20 times the number of spe-
16 cial education full-time equated pupils reported by the district
17 pursuant to section 6(4). The department shall report the amount
18 of this allocation to the senate and house appropriations subcom-
19 mittees responsible for oversight of this act and the department
20 of management and budget not later than August 1, ~~1997~~ 1998.
21 This allocation is estimated to be ~~-\$302,811,500.00-~~
22 \$338,550,000.00.

23 (3) State funds shall be allocated on a total approved cost
24 basis. Federal funds shall be allocated under applicable federal
25 requirements, except that an amount not to exceed \$3,000,000.00
26 may be allocated by the department to districts or intermediate
27 districts on a competitive grant basis for programs, equipment,

1 and services that the department determines to be designed to
2 benefit or improve special education on a statewide scale.

3 (4) From the amount allocated in subsection (1), there is
4 allocated an amount not to exceed ~~\$3,100,000.00~~ \$3,191,000.00
5 for ~~1996-97~~ 1997-98 to reimburse 100% of the net increase in
6 necessary costs incurred by a district or intermediate district
7 in implementing the revisions in the administrative rules for
8 special education that became effective on July 1, 1987. As used
9 in this subsection, "net increase in necessary costs" means the
10 necessary additional costs incurred solely because of new or
11 revised requirements in the administrative rules minus cost sav-
12 ings permitted in implementing the revised rules. Net increase
13 in necessary costs shall be determined in a manner specified by
14 the department.

15 (5) For purposes of this article, all of the following
16 apply:

17 (a) "Total approved costs of special education" shall be
18 determined in a manner specified by the department and may
19 include indirect costs, but shall not exceed 115% of approved
20 direct costs for section 52 and section 53a programs. The total
21 approved costs include salary and other compensation for all
22 approved special education personnel for the program, including
23 payments for social security and medicare and public school
24 employee retirement system contributions. The total approved
25 costs do not include salaries or other compensation paid to
26 administrative personnel who are not special education personnel
27 as defined in section 6 of the revised school code, MCL 380.6.

1 Costs reimbursed by federal funds, other than those federal funds
2 included in the allocation made under this article, are not
3 included. Special education approved personnel not utilized full
4 time in the evaluation of students or in the delivery of special
5 education programs, ancillary, and other related services shall
6 be reimbursed under this section only for that portion of time
7 actually spent providing these programs and services, with the
8 exception of special education programs and services provided to
9 youth placed in child caring institutions or juvenile detention
10 programs approved by the department to provide an on-grounds edu-
11 cation program.

12 (b) Reimbursement for ancillary and other related services,
13 as defined by R 340.1701 of the Michigan administrative code,
14 shall not be provided when those services are covered by and
15 available through private group health insurance carriers or fed-
16 eral reimbursed program sources unless the department and dis-
17 trict or intermediate district agree otherwise and that agreement
18 is approved by the department of management and budget.
19 Expenses, other than the incidental expense of filing, shall not
20 be borne by the parent. In addition, the filing of claims shall
21 not delay the education of a pupil. A district or intermediate
22 district shall be responsible for payment of a deductible amount
23 and for an advance payment required until the time a claim is
24 paid.

25 (6) From the allocation in subsection (1), there is allo-
26 cated for ~~1996-97~~ 1997-98 an amount not to exceed
27 ~~\$15,313,930.00~~ \$15,719,749.00 to intermediate districts. The

1 payment under this subsection to each intermediate district shall
2 be equal to the sum of the 1994-95 allocations to the intermedi-
3 ate district under former section 146a(2) and former section
4 147(5).

5 (7) From the allocation in subsection (1), there is allo-
6 cated for ~~1996-97~~ 1997-98 funding for pupils counted in member-
7 ship under this subsection. A pupil who is enrolled in a
8 full-time special education program conducted or administered by
9 an intermediate district or a pupil who is enrolled in the
10 Michigan school for the deaf and blind shall not be included in
11 the membership count of a district, but shall be counted in mem-
12 bership in the intermediate district of residence. For each
13 pupil, the intermediate district shall receive an amount equal to
14 the foundation allowance of the pupil's district of residence,
15 not to exceed \$6,500.00 adjusted by the dollar amount of the dif-
16 ference between the ~~1996-97~~ 1997-98 basic foundation allowance
17 under section 20 and \$5,000.00. A district operating a center
18 program for pupils from several districts pursuant to an approved
19 intermediate district plan that had the pupils counted in member-
20 ship in the intermediate district in ~~1995-96~~ 1996-97 shall have
21 the pupils counted in membership in the intermediate district in
22 ~~1996-97~~ 1997-98.

23 (8) Special education personnel transferred from 1 district
24 to another to implement the revised school code shall be entitled
25 to the rights, benefits, and tenure to which the person would
26 otherwise be entitled had that person been employed by the
27 receiving district originally.

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

8 (10) Expenditures from the allocation in subsection (1)
9 shall be made in the following order:

10 (a) 100% of the reimbursement required under section 53a.

11 (b) 100% of the reimbursement required under
12 subsection (4).

13 (c) 100% of the payment required under section 54.

14 (d) 100% of the payment required under subsection (6).

15 (e) 100% of the payments under subsection (7).

16 (f) Reimbursement under section 52.

17 Sec. 53a. (1) Reimbursement shall be 100% of the total
18 approved costs of operating special education programs and serv-
19 ices approved by the department and included in the intermediate
20 district plan adopted pursuant to article 3 of the revised school
21 code, ~~being sections 380.1701 to 380.1766 of the Michigan~~
22 ~~Compiled Laws~~ MCL 380.1701 TO 380.1766, minus the foundation
23 allowance calculated under section 20, for the following special
24 education pupils:

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

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

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

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

8 (d) Pupils who are dependents of foreign diplomats who
9 reside in this state and who are placed in a center program.

10 (e) Pupils enrolled in a department-approved on-grounds edu-
11 cational program longer than 180 days, but not longer than 233
12 days, at a residential child care institution, if the child care
13 institution offered in 1991-92 an on-grounds educational program
14 longer than 180 days but not longer than 233 days.

15 (f) Pupils placed in a district by a parent for the purpose
16 of seeking a suitable home, if the parent does not reside in the
17 same intermediate district as the district in which the pupil is
18 placed.

19 (2) Only those costs that are clearly and directly attribut-
20 able to educational programs for pupils described in subsection
21 (1), and that would not have been incurred if the pupils were not
22 being educated in a district or intermediate district, are reim-
23 bursable under this section.

24 (3) The costs of transportation shall be funded under this
25 section but shall not be reimbursed under section 58.

1 (4) Not more than ~~\$24,000,000.00~~ \$24,636,000.00 for
2 ~~1996-97~~ 1997-98 of the allocation in section 51a(1) shall be
3 allocated under this section.

4 Sec. 54. In addition to the aid received under section 52,
5 each intermediate district shall receive an amount per pupil for
6 each pupil in attendance at the Michigan school for the deaf and
7 blind. The amount shall be proportionate to the total instruc-
8 tional cost at each school. Not more than ~~\$1,688,000.00~~
9 \$1,732,732.00 for ~~1996-97~~ 1997-98 of the allocation in section
10 51a(1) shall be allocated under this section.

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

12 (a) "Membership" means the total membership in ~~1995-96~~
13 1996-97 of the intermediate district and the districts constitu-
14 ent to the intermediate district.

15 (b) "Millage levied" means the millage levied for special
16 education pursuant to part 30 of the revised school code, ~~being~~
17 ~~sections 380.1711 to 380.1743 of the Michigan Compiled Laws~~ MCL
18 380.1711 TO 380.1743, including a levy for debt service
19 obligations.

20 (c) "Taxable value" means the total taxable value of the
21 districts constituent to an intermediate district, except that if
22 a district has elected not to come under part 30 of the revised
23 school code, MCL 380.1711 TO 380.1743, membership and taxable
24 value of the district shall not be included in the membership and
25 taxable value of the intermediate district.

26 (2) From the appropriation in section 11, there is allocated
27 an amount not to exceed ~~\$30,650,000.00~~ \$31,569,500.00 for

1 ~~1996-97~~ 1997-98 to reimburse intermediate districts levying
 2 millages for special education pursuant to part 30 of the revised
 3 school code, MCL 380.1711 TO 380.1743. The purpose, use, and
 4 expenditure of the reimbursement shall be limited as if the funds
 5 were generated by these millages and governed by the intermediate
 6 district plan adopted pursuant to article 3 of the revised school
 7 code, ~~being sections 380.1701 to 380.1766 of the Michigan~~
 8 ~~Compiled Laws~~ MCL 380.1701 TO 380.1766. As a condition of
 9 receiving funds under this section, an intermediate district dis-
 10 tributing any portion of special education millage funds to its
 11 constituent districts shall submit for departmental approval and
 12 implement a distribution plan that utilizes at least a district's
 13 foundation allowance, as calculated under section 20, as a
 14 required local contribution.

15 (3) Reimbursement for those millages levied in ~~1995-96~~
 16 1996-97 shall be made in ~~1996-97~~ 1997-98 at an amount per
 17 ~~1995-96~~ 1996-97 membership pupil computed by subtracting from
 18 ~~\$95,850.00~~ \$99,000.00 the ~~1995-96~~ 1996-97 taxable value
 19 behind each membership pupil, and multiplying the resulting dif-
 20 ference by the ~~1995-96~~ 1996-97 millage levied.

21 Sec. 57. (1) From the appropriation in section 11, there is
 22 allocated an amount not to exceed ~~\$600,000.00~~ \$618,000.00 for
 23 ~~1996-97~~ 1997-98 to applicant intermediate districts that pro-
 24 vide support services for the education of gifted and talented
 25 pupils. An intermediate district is entitled to 75% of the
 26 actual salary, but not to exceed \$25,000.00 reimbursement for an
 27 individual salary, of a support services teacher approved by the

1 department, and not to exceed \$4,000.00 reimbursement for
2 expenditures to support program costs, excluding in-county travel
3 and salary, as approved by the department.

4 (2) From the appropriation in section 11, there is allocated
5 an amount not to exceed ~~\$400,000.00~~ \$412,000.00 for ~~1996-97~~
6 1997-98 to support part of the cost of summer institutes for
7 gifted and talented students. This amount shall be contracted to
8 applicant intermediate districts in cooperation with a local
9 institution of higher education and shall be coordinated by the
10 department.

11 (3) From the appropriation in section 11, there is allocated
12 an amount not to exceed ~~\$4,000,000.00~~ \$4,120,000.00 for
13 ~~1996-97~~ 1997-98 for the development and operation of comprehen-
14 sive programs for gifted and talented pupils. An eligible dis-
15 trict or consortium of districts shall receive an amount not to
16 exceed \$50.00 per K-12 pupil for up to 5% of the district's or
17 consortium's K-12 membership for the immediately preceding fiscal
18 year with a minimum total grant of \$3,000.00. Funding shall be
19 provided in the following order: the per pupil allotment, and
20 then the minimum total grant of \$3,000.00 to individual
21 districts. An intermediate district may act as the fiscal agent
22 for a consortium of districts. In order to be eligible for fund-
23 ing under this subsection, the district or consortium of dis-
24 tricts shall submit each year a current 3-year plan for operating
25 a comprehensive program for gifted and talented pupils and the
26 district or consortium shall demonstrate to the department that
27 the district or consortium will contribute matching funds of at

1 least \$50.00 per K-12 pupil. The plan or revised plan shall be
2 developed in accordance with criteria established by the depart-
3 ment and shall be submitted to the department for approval.

4 Within the criteria, the department shall encourage the develop-
5 ment of consortia among districts of less than 5,000
6 memberships.

7 Sec. 58. (1) From the appropriation in section 11, there is
8 allocated an amount not to exceed ~~\$25,405,000.00~~ \$26,167,200.00
9 for ~~1996-97~~ 1997-98 to fund districts and intermediate dis-
10 tricts for providing specialized transportation services, as
11 determined by the department, for pupils in special education
12 programs and services as defined in section 6 of the revised
13 school code, ~~being section 380.6 of the Michigan Compiled Laws~~
14 MCL 380.6, for which the district or intermediate district
15 receives reimbursement under section 52. Allocations to dis-
16 tricts and intermediate districts under this section shall be
17 based on data reported by the districts and intermediate dis-
18 tricts for the current school year.

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

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

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

- 1 (i) Transportation staff salary.
- 2 (ii) Regional cost variation.
- 3 (c) An amortization cost per pupil of 100% of cost for pupil
4 transportation fleet vehicles.
- 5 (d) An insurance cost per pupil of 100% of cost for pupil
6 transportation vehicles.
- 7 (e) Authorized miles traveled per pupil of \$0.15 per mile.
- 8 (3) The rate of aid for contracted transportation services
9 or transportation services provided through the use of public
10 transit systems is comparable to the rate of aid for
11 district-owned bus fleets.
- 12 (4) Districts and intermediate districts may apply to the
13 department for exceptions to the district's or intermediate
14 district's formula transportation allowance under this section
15 regarding the costs of transporting pupils when exceptional con-
16 ditions or circumstances impose unavoidably unusual expenses for
17 transporting pupils to their regularly scheduled classes.
- 18 Sec. 61a. (1) From the appropriation in section 11, there
19 is allocated an amount not to exceed ~~-\$30,502,600.00-~~
20 \$31,417,700.00 for ~~1996-97~~ 1997-98 to reimburse on an added
21 cost basis districts, except for a district that served as the
22 fiscal agent for a vocational education consortium in the 1993-94
23 school year, and secondary area vocational-technical education
24 centers for secondary-level vocational-technical education pro-
25 grams, including parenthood education programs, according to
26 state board rules. Applications for participation in the
27 programs shall be submitted in the form prescribed by the

1 department. The department shall determine the added cost for
2 each vocational-technical program area. The allocation of added
3 cost funds shall be based on the type of vocational-technical
4 programs provided, the number of pupils enrolled, and the length
5 of the training period provided, and shall not exceed 75% of the
6 added cost of any program. With the approval of the department,
7 the board of a district maintaining a secondary
8 vocational-technical education program may offer the program for
9 the period from the close of the school year until September 1.
10 The program shall use existing facilities and shall be operated
11 as prescribed by rules promulgated by the state board.

12 (2) Except for a district that served as the fiscal agent
13 for a vocational education consortium in the 1993-94 school year,
14 districts and intermediate districts shall be reimbursed for
15 local vocational administration, shared time vocational adminis-
16 tration, and career education planning district
17 vocational-technical administration. The definition of what con-
18 stitutes administration and reimbursement shall be pursuant to
19 guidelines adopted by the state board. Not more than
20 ~~\$800,000.00~~ \$824,000.00 of the allocation in subsection (1)
21 shall be distributed under this subsection.

22 (3) From the allocation in subsection (1), there is allo-
23 cated an amount not to exceed ~~\$450,000.00~~ \$463,500.00 to inter-
24 mediate districts with constituent districts that had combined
25 state and local revenue per membership pupil in the 1994-95 state
26 fiscal year of \$6,500.00 or more, served as a fiscal agent for a
27 state board designated area vocational education center in the

1 1993-94 school year, and had an adjustment made to their 1994-95
2 combined state and local revenue per membership pupil pursuant to
3 section 20d. The payment under this subsection to the intermedi-
4 ate district shall equal the total amount of the adjustments made
5 pursuant to section 20d.

6 Sec. 62. (1) For the purposes of this section:

7 (a) "Membership" means the total membership in ~~1995-96~~
8 1996-97 of the intermediate district and the districts constitu-
9 ent to the intermediate district or the total membership in
10 ~~1995-96~~ 1996-97 of the area vocational-technical education
11 program.

12 (b) "Millage levied" means the millage levied for area
13 vocational-technical education pursuant to sections 681 to 690 of
14 the revised school code, ~~being sections 380.681 to 380.690 of~~
15 ~~the Michigan Compiled Laws~~ MCL 380.681 TO 380.690, including a
16 levy for debt service obligations incurred as the result of bor-
17 rowing for capital outlay projects and in meeting capital
18 projects fund requirements of area vocational-technical
19 education.

20 (c) "Taxable value" means the total taxable value of the
21 districts constituent to an intermediate district or area
22 vocational-technical education program, except that if a district
23 has elected not to come under sections 681 to 690 of the revised
24 school code, MCL 380.681 TO 380.690, the membership and taxable
25 value of that district shall not be included in the membership
26 and taxable value of the intermediate district.

1 (2) From the appropriation in section 11, there is allocated
2 an amount not to exceed ~~\$7,200,000.00~~ \$7,416,000.00 for
3 ~~1996-97~~ 1997-98 to reimburse intermediate districts and area
4 vocational-technical education programs established under section
5 690(3) of the revised school code, MCL 380.690, levying millages
6 for area vocational-technical education pursuant to sections 681
7 to 690 of the revised school code, MCL 380.681 TO 380.690. The
8 purpose, use, and expenditure of the reimbursement shall be
9 limited as if the funds were generated by those millages.

10 (3) Reimbursement for the millages levied in ~~1995-96~~
11 1996-97 shall be made in ~~1996-97~~ 1997-98 at an amount per
12 ~~1995-96~~ 1996-97 membership pupil computed by subtracting from
13 ~~\$95,100.00~~ \$98,000.00 the ~~1995-96~~ 1996-97 taxable value
14 behind each membership pupil, and multiplying the resulting dif-
15 ference by the ~~1995-96~~ 1996-97 millage levied.

16 Sec. 74. (1) From the amount appropriated in section 11,
17 there is allocated an amount not to exceed ~~\$1,625,000.00~~
18 \$1,668,100.00 for ~~1996-97~~ 1997-98 for the purposes of
19 subsections (2) and (3).

20 (2) From the allocation in subsection (1), there is allo-
21 cated the amount necessary for payments to state supported col-
22 leges or universities and intermediate districts providing school
23 bus driver safety instruction or driver skills road tests pursu-
24 ant to section 51 of the pupil transportation act, ~~Act No. 187~~
25 ~~of the Public Acts of 1990, being section 257.1851 of the~~
26 ~~Michigan Compiled Laws~~ 1990 PA 187, MCL 257.1851. The payments
27 shall be in an amount determined by the department not to exceed

1 75% of the actual cost of instruction and driver compensation for
2 each public or nonpublic school bus driver attending a course of
3 instruction. For the purpose of computing compensation, the
4 hourly rate allowed each school bus driver shall not exceed the
5 hourly rate received for driving a school bus. Reimbursement
6 compensating the driver during the course of instruction or
7 driver skills road tests shall be made by the department to the
8 college or university or intermediate district providing the
9 course of instruction.

10 (3) From the allocation in subsection (1), there is allo-
11 cated the amount necessary to pay the reasonable costs of nonspe-
12 cial education auxiliary services transportation provided pursu-
13 ant to section 1323 of the revised school code, ~~being~~
14 ~~section 380.1323 of the Michigan Compiled Laws~~ MCL 380.1323.
15 Districts funded under this subsection shall not receive funding
16 under any other section of this act for nonspecial education aux-
17 iliary services transportation.

18 Sec. 81. (1) Except as otherwise provided in this section,
19 from the appropriation in section 11, there is allocated for
20 ~~1996-97~~ 1997-98 to the intermediate districts the sum neces-
21 sary, but not to exceed ~~\$76,676,300.00~~ \$78,976,600.00, to pro-
22 vide state aid to intermediate districts under this subsection
23 and subsections (2) and (3). Except as otherwise provided in
24 this section, there shall be allocated to each intermediate dis-
25 trict an amount equal to the amount of funding actually received
26 by each intermediate district in ~~1995-96~~ 1996-97. Funding
27 provided under this section shall be used to comply with

1 requirements of this act and the revised school code that are
2 applicable to intermediate districts, and for which funding is
3 not provided elsewhere in this act, and to provide technical
4 assistance to districts as authorized by the intermediate school
5 board.

6 (2) From the allocation in subsection (1), there is allo-
7 cated to an intermediate district, formed by the consolidation or
8 annexation of 2 or more intermediate districts or the attachment
9 of a total intermediate district to another intermediate school
10 district or the annexation of all of the constituent K-12 dis-
11 tricts of a previously existing intermediate school district
12 which has disorganized, an additional allotment of \$3,500.00 each
13 fiscal year for each intermediate district included in the new
14 intermediate district for 3 years following consolidation, annex-
15 ation, or attachment.

16 (3) If an intermediate district participated in 1993-94 in a
17 consortium operating a regional educational media center under
18 section 671 of the revised school code, ~~being section 380.671 of~~
19 ~~the Michigan Compiled Laws~~ MCL 380.671, and rules promulgated by
20 the state board, and if the intermediate district obtains written
21 consent from each of the other intermediate districts that par-
22 ticipated in the consortium in 1993-94, the intermediate district
23 may notify the department not later than October 1, 1996 that it
24 is electing to directly receive its payment attributable to par-
25 ticipation in that consortium. An intermediate district making
26 that election, and that has obtained the necessary consent, shall
27 receive for ~~1996-97~~ 1997-98 for each pupil in membership in the

1 intermediate district or a constituent district an amount equal
2 to the quotient of the ~~1995-96~~ 1996-97 allocation to the fiscal
3 agent for that consortium under this subsection divided by the
4 combined total ~~1996-97~~ 1997-98 membership in all of the inter-
5 mediate districts that participated in that consortium and their
6 constituent districts. The amount allocated to an intermediate
7 district under this subsection for ~~1996-97~~ 1997-98 shall be
8 deducted from the total allocation for ~~1996-97~~ 1997-98 under
9 this section to the intermediate district that was the 1993-94
10 fiscal agent for the consortium.

11 (4) During a fiscal year, the department shall not increase
12 an intermediate district's allocation under subsection (1)
13 because of an adjustment made by the department during the fiscal
14 year in the intermediate district's taxable value for a prior
15 year. Instead, the department shall report the adjustment and
16 the estimated amount of the increase to the house and senate
17 fiscal agencies not later than June 1 of the fiscal year, and the
18 legislature shall appropriate money for the adjustment in the
19 next succeeding fiscal year. ~~Accordingly, in addition to the~~
20 ~~money allocated under subsection (1), from the appropriation in~~
21 ~~section 11 there is allocated for 1996-97 an amount not to exceed~~
22 ~~\$3,500,000.00 for payments to intermediate districts for adjust-~~
23 ~~ments in taxable value described in this subsection.~~

24 (5) In order to receive funding under this section, an
25 intermediate district shall demonstrate to the satisfaction of
26 the department that the intermediate district employs at least 1

1 person who is trained in pupil counting procedures, rules, and
2 regulations.

3 Sec. 94. From the general fund money appropriated in sec-
4 tion 11, there is allocated to the department for ~~1996-97~~
5 1997-98 an amount not to exceed ~~\$1,500,000.00~~ \$1,545,000.00 to
6 provide technical assistance to districts for school accredit-
7 ation purposes as described in section 1280 of the revised school
8 code, ~~being section 380.1280 of the Michigan Compiled Laws~~ MCL
9 380.1280.

10 Sec. 95. (1) From the appropriations in section 11, there
11 is allocated ~~\$8,000,000.00 from the state school aid fund appro-~~
12 ~~priation and \$2,000,000.00 from the general fund appropriation~~
13 ~~for 1995-96~~ \$10,000,000.00 FOR 1997-98 for professional develop-
14 ment for teachers and others within the educational community.
15 The total allocation under this section shall be distributed as
16 follows:

17 (a) ~~\$6,500,000.00~~ \$9,000,000.00 is allocated ~~from the~~
18 ~~state school aid fund~~ to districts on a per pupil basis, USING
19 1995-96 MEMBERSHIP NUMBERS, with each district receiving the same
20 amount per 1995-96 MEMBERSHIP pupil.

21 (b) ~~\$1,500,000.00~~ \$1,000,000.00 is allocated ~~from the~~
22 ~~state school aid fund~~ to intermediate districts on a per pupil
23 basis, USING 1995-96 MEMBERSHIP NUMBERS, for each pupil in mem-
24 bership in the intermediate district or in a constituent dis-
25 trict, with each intermediate district receiving the same amount
26 per 1995-96 MEMBERSHIP pupil.

1 (2) ~~Subject to subsection (3), the~~ THE professional
2 development funds allocated under this section may be used for
3 any of the following:

4 (a) Advancement of the initiatives under sections 1204a,
5 1277, 1278, and 1280 of the ~~school code of 1976, being~~
6 ~~sections 380.1204a, 380.1277, 380.1278, and 380.1280 of the~~
7 ~~Michigan Compiled Laws~~ REVISED SCHOOL CODE, MCL 380.1204A,
8 380.1277, 380.1278, AND 380.1280, commonly referred to as "Public
9 Act 25 of 1990".

10 (b) Improving instructional and support staff skills.

11 (c) Other areas of professional development identified in
12 the ~~school code of 1976~~ REVISED SCHOOL CODE.

13 (3) ~~-(4)-~~ In order to provide accountability for this pro-
14 gram, the superintendent of a district or intermediate district
15 shall submit to the department, in a form and manner determined
16 by the department, a written assurance of compliance with all
17 provisions of this section not later than May 20 of the current
18 fiscal year. Failure to comply with this subsection will result
19 in the withholding of an amount equal to the June payment for
20 programs funded under this section until the district or interme-
21 diate district complies with this subsection. If the district or
22 intermediate district does not comply with this subsection by the
23 end of the state fiscal year, the withheld funds shall be for-
24 feited to the state school aid fund.

25 (4) ~~-(5)-~~ In order to receive funds under this section, a
26 grant recipient shall allow access for the department or the
27 department's designee to audit all records related to the program

1 for which it receives such funds. The grant recipient shall
2 reimburse the state for all disallowances found in the audit.

3 Sec. 99. (1) From the general fund/general purpose appro-
4 priation in section 11, there is allocated an amount not to
5 exceed ~~\$7,560,800.00~~ \$7,787,600.00 for ~~1996-97~~ 1997-98 for
6 implementing the comprehensive master plan for mathematics and
7 science centers developed by the department and approved by the
8 state board on February 17, 1993.

9 (2) Within a service area designated locally, approved by
10 the department, and consistent with the master plan described in
11 subsection (1), an established mathematics and science center
12 shall address 2 or more of the following 6 basic services, as
13 described in the master plan, to constituent districts and
14 communities: leadership, pupil services, curriculum support,
15 community involvement, professional development, and resource
16 clearinghouse services.

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

22 (4) As part of the technical assistance process, the depart-
23 ment shall provide minimum standard guidelines that may be used
24 by the mathematics and science center for providing fair access
25 for qualified pupils and professional staff as prescribed in this
26 section.

~~1 (5) Allocations under this section to support the
2 activities and programs of mathematics and science centers shall
3 be continuing support grants to all 25 established mathematics
4 and science centers and the 8 satellite extensions that were
5 funded in 1994-95. Each established mathematics and science
6 center that was funded in 1994-95 shall receive an amount equal
7 to 110% of the amount it received under this section in 1994-95.
8 The balance of the allocation under this section for 1995-96
9 shall be distributed as determined by the department, subject to
10 approval by the house and senate appropriations subcommittees
11 that have responsibility for this act.~~

12 (5) ~~(6)~~ In order to receive funds under this section, a
13 grant recipient shall allow access for the department or the
14 department's designee to audit all records related to the program
15 for which it receives such funds. The grant recipient shall
16 reimburse the state for all disallowances found in the audit.

17 SEC. 107A. (1) FROM THE APPROPRIATION IN SECTION 11, THERE
18 IS ALLOCATED FOR 1997-98 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 (19) AND
22 (20), 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, GENERAL EDUCATION

1 DEVELOPMENT TEST (G.E.D.) PREPARATION PROGRAMS, AND JOB OR
2 EMPLOYMENT RELATED 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 IN EFFECT IN
13 1994-95, AS ADJUSTED FOR THE CHANGE IN THE BASIS FOR DETERMINING
14 FULL-TIME EQUATED PARTICIPANTS FROM 480 TO 900 HOURS, OR THE
15 NUMBER OF ADULT EDUCATION PARTICIPANTS COUNTED AS PARTICIPANTS IN
16 THE DISTRICT, CONSORTIUM, OR COOPERATIVE PROGRAM IN 1994-95 UNDER
17 FORMER SECTION 107E, AS COUNTED IN THE FINAL AUDITED 1994-95 PAR-
18 TICIPANT COUNT, AFTER ADJUSTMENTS UNDER FORMER SECTION 107E(6),
19 WHICHEVER IS GREATER. HOWEVER, IF A DISTRICT OR CONSORTIUM
20 DEMONSTRATES TO THE SATISFACTION OF THE DEPARTMENT THAT IN
21 1993-94 IT CONDUCTED A 900-HOUR PROGRAM OF ALTERNATIVE EDUCATION
22 THROUGH ADULT EDUCATION, THE DISTRICT'S OR CONSORTIUM'S FINAL
23 AUDITED 1993-94 PARTICIPANT COUNT FOR PARTICIPANTS IN THAT
24 900-HOUR PROGRAM SHALL NOT BE ADJUSTED FOR THE CHANGE FROM 480 TO
25 900 HOURS. THE MAXIMUM NUMBER OF PARTICIPANTS IN A CONSORTIUM OR
26 COOPERATIVE PROGRAM SHALL BE ADJUSTED TO REFLECT THE PARTICIPANTS
27 TRANSFERRED INTO OR OUT OF THE CONSORTIUM OR COOPERATIVE

1 PROGRAM. IN COMPUTING THE MAXIMUM NUMBER OF FULL-TIME EQUATED
2 PARTICIPANTS FOR WHICH A DISTRICT, CONSORTIUM, OR COOPERATIVE
3 PROGRAM MAY RECEIVE PAYMENTS UNDER THIS SECTION, ANY ADJUSTMENT
4 UNDER FORMER SECTION 107 AS IN EFFECT IN 1994-95, OR FORMER
5 SECTION 107E, SHALL BE MADE ON A FULL-TIME EQUATED BASIS ONLY.

6 (3) IF THE DEPARTMENT DETERMINES AS OF MAY 1 OF A FISCAL
7 YEAR THAT THE TOTAL AMOUNT ALLOCATED UNDER THIS SECTION EXCEEDS
8 THE AMOUNT NECESSARY TO FULLY FUND PAYMENTS FOR THE NUMBER OF
9 PARTICIPANTS COUNTED UNDER SUBSECTION (2), THE DEPARTMENT MAY
10 ALLOW DISTRICTS, CONSORTIA, AND COOPERATIVE PROGRAMS TO COUNT
11 ADDITIONAL PARTICIPANTS ON A PRORATED BASIS AND MAY MAKE PAYMENTS
12 UNDER THIS SECTION TO DISTRICTS, CONSORTIA, AND COOPERATIVE PRO-
13 GRAMS FOR THOSE ADDITIONAL PARTICIPANTS.

14 (4) AN INDIVIDUAL WHO HAS OBTAINED A HIGH SCHOOL DIPLOMA OR
15 A GENERAL EDUCATION DEVELOPMENT (G.E.D.) CERTIFICATE SHALL NOT
16 BE COUNTED AS A PARTICIPANT UNDER THIS SECTION, EXCEPT AS
17 FOLLOWS:

18 (A) AN INDIVIDUAL ENROLLED IN THE STATE TECHNICAL INSTITUTE
19 AND REHABILITATION CENTER WHO IS LESS THAN 20 YEARS OF AGE ON
20 SEPTEMBER 1 OF THE SCHOOL YEAR.

21 (B) AN INDIVIDUAL WHO IS ENROLLED FOR A MAXIMUM OF 1 YEAR IN
22 AN ENGLISH AS A SECOND LANGUAGE PROGRAM.

23 (C) AN INDIVIDUAL ENROLLED IN A JOB OR EMPLOYMENT RELATED
24 PROGRAM AND NOT ATTENDING AN INSTITUTION OF HIGHER EDUCATION WHO
25 IS LESS THAN 20 YEARS OF AGE ON SEPTEMBER 1 OF THE SCHOOL YEAR.

1 (D) AN INDIVIDUAL WHO IS DETERMINED BY AN APPROPRIATE
2 ASSESSMENT TO BE BELOW NINTH GRADE LEVEL IN READING, ENGLISH, OR
3 MATHEMATICS.

4 (E) AN INDIVIDUAL WHO HAS OBTAINED A GENERAL EDUCATION
5 DEVELOPMENT (G.E.D.) CERTIFICATE WHO IS ENROLLED AS A PARTICI-
6 PANT UNDER THIS SECTION IN A HIGH SCHOOL COMPLETION PROGRAM.

7 (5) A PARTICIPANT IN A PROGRAM FUNDED UNDER THIS SECTION
8 SHALL NOT BE COUNTED IN MEMBERSHIP IN A DISTRICT.

9 (6) EXCEPT AS PROVIDED IN THIS SUBSECTION, PAYMENTS UNDER
10 THIS SECTION SHALL BE MADE AS PROVIDED IN SECTION 17B. A DIS-
11 TRICT, CONSORTIUM, OR COOPERATIVE PROGRAM THAT COUNTS ADULT EDU-
12 CATION PARTICIPANTS UNDER THIS SECTION AND COMPLIES WITH THE
13 REQUIREMENTS OF THIS SECTION SHALL RECEIVE REGULARLY SCHEDULED
14 STATE AID PAYMENTS FOR WHICH THE DISTRICT, CONSORTIUM, OR COOPER-
15 ATIVE PROGRAM QUALIFIES UNDER THIS SECTION IN ACCORDANCE WITH THE
16 FOLLOWING, UP TO A MAXIMUM OF 100%:

17 (A) NINETY PERCENT FOR ENROLLMENT OF ELIGIBLE PARTICIPANTS.

18 (B) TEN PERCENT FOR CLASSROOM ATTENDANCE.

19 (C) TEN PERCENT FOR ATTAINMENT OF A HIGH SCHOOL DIPLOMA; FOR
20 PASSAGE OF THE G.E.D. TEST; FOR COMPLETION OF THE ADULT BASIC
21 EDUCATION OBJECTIVES BY ACHIEVING AN EIGHTH GRADE LEVEL IN READ-
22 ING, ENGLISH, OR MATHEMATICS; OR FOR COMPLETION OF THE CLASS AND
23 DEMONSTRATED PROFICIENCY IN THE ACADEMIC OR VOCATIONAL SKILLS TO
24 BE LEARNED IN THE CLASS.

25 (7) PAYMENT ADJUSTMENTS UNDER SUBSECTION (6) SHALL BE IN
26 ADDITION TO ANY ADJUSTMENTS USED IN DETERMINING THE MAXIMUM
27 NUMBER OF FULL-TIME EQUATED PARTICIPANTS UNDER SUBSECTION (2).

1 (8) A DISTRICT, CONSORTIUM, OR COOPERATIVE PROGRAM THAT
2 COUNTS ADULT EDUCATION PARTICIPANTS UNDER THIS SECTION SHALL
3 ALLOW ACCESS FOR THE DEPARTMENT OR THE DEPARTMENT'S DESIGNEE TO
4 AUDIT ALL RECORDS RELATED TO THE ADULT EDUCATION PROGRAM FOR ALL
5 ENTITIES THAT RECEIVE MONEY, EITHER DIRECTLY OR INDIRECTLY
6 THROUGH A CONTRACT, FROM THE PARTICIPANTS COUNTED UNDER THIS
7 SECTION. THE RECIPIENT OR CONTRACTOR, IF ANY, SHALL REIMBURSE
8 THE STATE FOR ALL DISALLOWANCES FOUND IN THE AUDIT.

9 (9) A DISTRICT, CONSORTIUM, OR COOPERATIVE PROGRAM RECEIVING
10 FUNDS FROM THE JOB TRAINING PARTNERSHIP ACT, PUBLIC LAW 97-300,
11 96 STAT. 1322, OR A DISTRICT OPERATING A TRAINING PROGRAM
12 APPROVED BY THE DEPARTMENT MAY AMEND THE NUMBER OF PARTICIPANTS
13 COUNTED UNDER THIS SECTION TO INCLUDE INDIVIDUALS PARTICIPATING
14 IN THE JOB TRAINING PARTNERSHIP ACT PROGRAM OR A TRAINING PROGRAM
15 APPROVED BY THE DEPARTMENT. THE PARTICIPANT COUNT DAY FOR THESE
16 PARTICIPANTS SHALL BE THE THIRD FRIDAY AFTER THE FIRST MONDAY
17 AFTER THE START OF INSTRUCTION FOR THE PROGRAM. PAYMENTS
18 RECEIVED UNDER THIS SECTION FOR THESE PARTICIPANTS SHALL BE
19 REDUCED 1/900 FOR EACH HOUR OF CLASSROOM INSTRUCTION THE PARTICI-
20 PANTS ARE SCHEDULED TO RECEIVE UNDER 900 HOURS AND FURTHER
21 REDUCED TO ENSURE THAT THE COMBINED AID UNDER THIS SECTION AND
22 JOB TRAINING PARTNERSHIP ACT OR OTHER APPROVED TRAINING PROGRAM
23 AID FOR THE PROGRAMS DO NOT EXCEED THE COST OF THE PROGRAMS AS
24 VERIFIED BY THE INTERMEDIATE SCHOOL DISTRICT OF THE DISTRICT
25 OPERATING THE PROGRAMS.

26 (10) AN INDIVIDUAL 26 YEARS OF AGE OR OLDER RESIDING IN A
27 MENTAL HEALTH INSTITUTION OR A NURSING HOME AND RECEIVING

1 EDUCATIONAL SERVICES ON SITE SHALL NOT BE COUNTED AS AN ADULT
2 EDUCATION PARTICIPANT UNDER THIS SECTION.

3 (11) THE PARTICIPANT COUNT DAYS FOR COUNTING PARTICIPANTS IN
4 ADULT EDUCATION PROGRAMS UNDER THIS SECTION ARE THE FIRST FRIDAY
5 IN OCTOBER AND THE SECOND FRIDAY IN FEBRUARY.

6 (12) THE PRORATED ALLOCATION FOR AN ADULT EDUCATION PARTICI-
7 PANT UNDER THIS SECTION SHALL BE COMPUTED BY APPLYING A RATIO
8 THAT IS THE RELATION BETWEEN THE NUMBER OF HOURS OF STUDENT
9 INSTRUCTION RECEIVED AND 900 CLOCK HOURS OF CLASSROOM
10 INSTRUCTION. TIME REQUIRED TO PASS TO AND FROM CLASSES, AND UP
11 TO 5 HOURS OF TUTORIAL ASSISTANCE PROVIDED TO A PARTICIPANT TO
12 MAKE UP FOR AN EQUAL NUMBER OF HOURS OF EXCUSED ABSENCE BY THE
13 PARTICIPANT, AS DOCUMENTED AND REPORTED BY THE DISTRICT, SHALL BE
14 COUNTED AS CLASSROOM INSTRUCTION, BUT MEAL TIME, STUDY HALLS, OR
15 RECESS TIME SHALL NOT BE COUNTED AS CLASSROOM INSTRUCTION. A
16 DISTRICT THAT RECEIVES FUNDING UNDER THIS SECTION SHALL SUBMIT TO
17 THE DEPARTMENT, NOT LATER THAN NOVEMBER 1, A RESOLUTION ADOPTED
18 BY ITS BOARD INDICATING THAT THE DISTRICT COMPLIES WITH ALL OF
19 THE FOLLOWING REQUIREMENTS:

20 (A) THE DISTRICT USES AS GUIDELINES THE ADULT EDUCATION
21 STANDARDS OF QUALITY APPROVED BY THE STATE BOARD.

22 (B) THE DISTRICT HAS IMPLEMENTED AN ADULT EDUCATION PARTICI-
23 PANT RETENTION PLAN.

24 (C) THE DISTRICT HAS IMPLEMENTED AN ADULT EDUCATION EVALU-
25 ATION PLAN.

26 (13) FOR PURPOSES OF DETERMINING THE NUMBER OF PARTICIPANTS
27 UNDER THIS SECTION, A DISTRICT, CONSORTIUM, OR COOPERATIVE

1 PROGRAM MAY COUNT TOWARD CLASSROOM INSTRUCTION NOT MORE THAN THE
2 NUMBER OF CREDITS REQUIRED BY THE DISTRICT FOR A HIGH SCHOOL
3 DIPLOMA, INCLUDING THOSE SPECIFIED IN SUBDIVISIONS (A) THROUGH
4 (E) IN THE FOLLOWING COURSES AND NUMBER OF CREDIT HOURS:

5 (A) EXCEPT AS PROVIDED IN SUBDIVISION (E), A TOTAL OF 10
6 CREDITS OF ENGLISH OR COMMUNICATION SKILLS, MATHEMATICS, SCIENCE,
7 AND SOCIAL SCIENCE, WITH NOT MORE THAN 3 CREDITS EACH OF MATHE-
8 MATICS, SCIENCE, AND SOCIAL SCIENCE AND NOT MORE THAN 4 CREDITS
9 OF ENGLISH OR COMMUNICATION SKILLS.

10 (B) EXCEPT AS PROVIDED IN SUBDIVISION (E), 1 CREDIT OF
11 HEALTH.

12 (C) EXCEPT AS PROVIDED IN SUBDIVISION (E), 4 CREDITS OF A
13 FOREIGN LANGUAGE, VOCATIONAL-TECHNICAL EDUCATION AS APPROVED BY
14 THE DEPARTMENT, OCCUPATIONAL SKILLS TRAINING AS APPROVED BY THE
15 DEPARTMENT, OR ANY COMBINATION THEREOF.

16 (D) EXCEPT AS PROVIDED IN SUBDIVISION (E), 1 CREDIT OF COM-
17 PUTER EDUCATION, OR THE EQUIVALENT, AS APPROVED BY THE
18 DEPARTMENT.

19 (E) A TOTAL OF 4 ADDITIONAL CREDITS OF ANY OF THE SUBJECTS
20 SPECIFIED IN SUBDIVISIONS (A) THROUGH (D), FINE AND PERFORMING
21 ARTS OR PRACTICAL ARTS, OR ANY COMBINATION THEREOF, AS APPROVED
22 BY THE DEPARTMENT.

23 PARTICIPANTS ENROLLED IN FINE AND PERFORMING ARTS OR PRACTI-
24 CAL ARTS CLASSES SHALL ALSO BE ENROLLED AND ATTEND WITHIN THE
25 SAME SEMESTER AT LEAST 1 OF THE CLASSES LISTED IN SUBDIVISIONS
26 (A) THROUGH (D) IN ORDER TO GENERATE MEMBERSHIP FOR THE FINE AND
27 PERFORMING ARTS OR PRACTICAL ARTS CLASS.

1 (14) FOR PURPOSES OF SUBSECTION (13), A CREDIT HOUR SHALL
2 NOT EXCEED 120 CLOCK HOURS OF CLASSROOM INSTRUCTION, EXCEPT THAT
3 A CREDIT HOUR MAY EXCEED 120 CLOCK HOURS OF CLASSROOM INSTRUCTION
4 IN A CLASS IN WHICH PARTICIPANTS ARE ENROLLED ALONG WITH PUPILS,
5 AND CREDIT HOURS EARNED BY A PARTICIPANT DURING PREVIOUS SCHOOL
6 YEARS SHALL BE COUNTED. PARTICIPANTS ENROLLED AND MAKING
7 PROGRESS IN ADULT BASIC EDUCATION MAY BE PRORATED.

8 (15) IN ORDER TO BE ELIGIBLE TO COUNT ADULT EDUCATION PAR-
9 TICIPANTS UNDER THIS SECTION, A DISTRICT SHALL ALLOW THOSE PAR-
10 TICIPANTS WHO HAVE MORE THAN THE CREDITS SPECIFIED IN SUBSECTION
11 (13) TO ATTEND THOSE CLASSES NEEDED IN ORDER TO COMPLETE GRADUA-
12 TION REQUIREMENTS. THE DISTRICT SHALL NOT ASSESS A FEE OR
13 RECEIVE FUNDING UNDER THIS SECTION FOR THESE CREDITS.

14 (16) A DISTRICT OPERATING AN ADULT EDUCATION PROGRAM UNDER
15 THIS SECTION SHALL DO ALL OF THE FOLLOWING:

16 (A) PROVIDE THE PROGRAM WITHIN THE GEOGRAPHIC BOUNDARIES OF
17 THE DISTRICT.

18 (B) DEVELOP COURSE DESCRIPTIONS FOR ALL ADULT BASIC AND HIGH
19 SCHOOL COMPLETION COURSES APPROVED BY THE LOCAL SCHOOL BOARD
20 WHICH SHALL BE AVAILABLE FOR REVIEW BY THE DEPARTMENT NOT LATER
21 THAN OCTOBER 1 OF EACH SCHOOL YEAR.

22 (C) HAVE ON FILE A PLANNED PROGRAM FOR ADULT BASIC EDUCATION
23 OR A PLANNED PROGRAM FOR A HIGH SCHOOL DIPLOMA, OR BOTH, FOR EACH
24 INDIVIDUAL ENROLLED IN AN ADULT BASIC EDUCATION PROGRAM OR ADULT
25 HIGH SCHOOL COMPLETION PROGRAM, OR BOTH, COMPARABLE TO PLANNED
26 PROGRAMS MAINTAINED FOR A PUPIL IN THE REGULAR PROGRAM OF THE
27 DISTRICT.

1 (D) ENSURE THAT THE ADULT HIGH SCHOOL COMPLETION PROGRAM IS
2 COMPARABLE TO THE REQUIREMENTS AND STANDARDS OF OTHER HIGH SCHOOL
3 COMPLETION PROGRAMS IN THAT DISTRICT. IF MODIFICATIONS ARE MADE
4 IN PROGRAMS OR COURSES, OR BOTH, TO ACCOMMODATE ADULT NEEDS, SPE-
5 CIFIC RATIONALE FOR THE MODIFICATIONS SHALL BE AVAILABLE FOR
6 REVIEW.

7 (E) MAINTAIN PARTICIPANT RECORDS COMPARABLE TO THOSE MAIN-
8 TAINED FOR THE REGULAR HIGH SCHOOL PROGRAM OF THAT DISTRICT.

9 (F) SUBMIT TO THE DEPARTMENT NOT LATER THAN OCTOBER 30 EACH
10 YEAR A REPORT DESCRIBING THE DISTRICT'S ACTIVITIES IN THE FISCAL
11 YEAR ENDING THE IMMEDIATELY PRECEDING SEPTEMBER 30 THAT PERTAIN
12 TO REQUIREMENTS SET FORTH IN SUBDIVISIONS (A) THROUGH (E).

13 (G) EXPEND AT LEAST 5% OF THE FUNDS RECEIVED UNDER THIS SEC-
14 TION FOR ACADEMIC, VOCATIONAL, AND JOB COUNSELING FOR ADULT EDU-
15 CATION PARTICIPANTS.

16 (H) USE THE FUNDS RECEIVED UNDER THIS SECTION TO SUPPORT
17 ACTUAL REASONABLE COSTS OF THE ADULT EDUCATION PROGRAMS, EXCEPT
18 THAT THE DISTRICT MAY USE REVENUE IN ADDITION TO THAT NEEDED TO
19 MEET THE COSTS OF THE ADULT EDUCATION PROGRAM TO PROVIDE SUPPLE-
20 MENTAL SERVICES WITHIN THE DISTRICT IN THE AREAS OF EARLY CHILD-
21 HOOD EDUCATION, ALTERNATIVE EDUCATION, DROPOUT PREVENTION, TEEN
22 PARENT PROGRAMS FOR YOUTH, OR OTHER DEPARTMENT-APPROVED EDUCATION
23 PROGRAMS OTHER THAN COMMUNITY EDUCATION.

24 (17) TWO OR MORE K TO 12 DISTRICTS MAY CONDUCT ADULT EDUCA-
25 TION PROGRAMS ON A COOPERATIVE BASIS. COOPERATING DISTRICTS
26 SHALL ENTER INTO AN ANNUAL WRITTEN AGREEMENT WHICH SHALL COVER
27 ALL OF THE HIGH SCHOOL COMPLETION PROGRAMS AND ADULT BASIC

1 EDUCATION PROGRAMS OFFERED WITHIN THE PARTICIPATING DISTRICTS.
2 EXCEPTIONS TO THIS PROVISION MAY BE MADE WITH THE APPROVAL OF THE
3 DEPARTMENT. AN AGREEMENT SHALL INCLUDE THE EDUCATIONAL, ADMINIS-
4 TRATIVE, MANAGEMENT, OPERATIONAL, AND FINANCIAL MATTERS CONCERN-
5 ING ADULT EDUCATION PROGRAMS AND SERVICES OFFERED BY ALL THE PAR-
6 TICIPATING DISTRICTS. ONE DISTRICT SHALL BE DESIGNATED IN THE
7 AGREEMENT AS THE ADMINISTRATOR OF THE ADULT EDUCATION COOPERATIVE
8 PROGRAM AND SHALL OPERATE THE PROGRAM AS A DIRECT EXTENSION OF
9 THE DISTRICT. THE DISTRICT SERVING AS THE ADMINISTRATOR OF THE
10 ADULT EDUCATION PROGRAM SHALL REIMBURSE ONLY DIRECT EXPENSES AND
11 THE REASONABLE RENTAL VALUE OF FACILITIES PROVIDED DIRECTLY TO
12 THE PROGRAM BY A COOPERATIVE DISTRICT. THESE FEES SHALL REFLECT
13 ONLY ACTUAL COSTS TO THE COOPERATING DISTRICT. IF THE COOPERAT-
14 ING DISTRICT DID NOT RECEIVE AN ALLOCATION UNDER FORMER
15 SECTION 21(1) IN 1993-94, THE FEES SHALL NOT EXCEED 12.5% OF THE
16 AMOUNT OF THE PAYMENT THE ADMINISTERING DISTRICT RECEIVES THAT IS
17 ATTRIBUTABLE TO THE PARTICIPATION OF THE COOPERATING DISTRICT.
18 NO OTHER PAYMENTS MAY BE MADE TO A COOPERATING DISTRICT BY THE
19 DISTRICT SERVING AS THE ADMINISTRATOR OF THE ADULT EDUCATION
20 PROGRAM. THE FEE SCHEDULE TO BE PAID BY THE ADMINISTRATIVE DIS-
21 TRICT OF THE ADULT EDUCATION PROGRAM SHALL BE INCLUDED AS PART OF
22 THE ANNUAL WRITTEN AGREEMENT BETWEEN COOPERATING DISTRICTS. THE
23 ADMINISTRATIVE DISTRICT SHALL MAINTAIN FOR 5 YEARS RECORDS OF
24 FEES PAID UNDER THE AGREEMENT. THE FUNDS GENERATED BY THE ADMIN-
25 ISTERING DISTRICT SHALL BE USED TO SUPPORT ACTUAL REASONABLE
26 COSTS OF THE ADULT EDUCATION PROGRAMS IN THE COOPERATIVE PROGRAM
27 WITH THE EXCEPTION THAT ADMINISTERING DISTRICTS MAY USE REVENUES

1 IN ADDITION TO THAT NEEDED TO MEET THE COSTS OF THE ADULT
2 EDUCATION PROGRAM TO PROVIDE SUPPLEMENTAL SERVICES WITHIN THE
3 CONSORTIUM IN THE AREAS OF EARLY CHILDHOOD EDUCATION, ALTERNATIVE
4 EDUCATION, DROPOUT PREVENTION, TEEN PARENT PROGRAMS FOR YOUTH, OR
5 OTHER DEPARTMENT-APPROVED EDUCATION PROGRAMS OTHER THAN COMMUNITY
6 EDUCATION. IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION FOR THE
7 PROGRAM, NOT LATER THAN NOVEMBER 30 OF THE FISCAL YEAR THE BOARD
8 OF EACH OF THE COOPERATING DISTRICTS SHALL ADOPT AND SUBMIT TO
9 THE DEPARTMENT A RESOLUTION INDICATING COMPLIANCE WITH THIS
10 SUBSECTION.

11 (18) EXCEPT FOR A DISTRICT DESCRIBED IN SUBSECTION (20)(C),
12 A DISTRICT THAT DID NOT RECEIVE AN ALLOCATION UNDER FORMER SEC-
13 TION 21(1) IN 1993-94, WITH THE APPROVAL OF THE DEPARTMENT, MAY
14 ENTER INTO A COOPERATIVE ARRANGEMENT WITH A DISTRICT THAT
15 RECEIVES PAYMENT UNDER THIS SECTION FOR THE PURPOSE OF OBTAINING
16 EDUCATIONAL SERVICES FOR ADULT EDUCATION PARTICIPANTS. THESE
17 COOPERATIVE ARRANGEMENTS SHALL MEET THE SAME CONDITIONS AS THOSE
18 LISTED IN SUBSECTION (17). IN THESE COOPERATIVE ARRANGEMENTS,
19 THE DISTRICT THAT DID NOT RECEIVE AN ALLOCATION UNDER FORMER SEC-
20 TION 21(1) IN 1993-94 MAY RECEIVE FROM THE DISTRICT THAT PROVIDES
21 THE EDUCATIONAL SERVICES AN AMOUNT FOR ADMINISTRATIVE COSTS NOT
22 TO EXCEED 12.5% OF THE AMOUNT OF THE PAYMENT UNDER THIS SECTION
23 THE PROVIDING DISTRICT RECEIVES THAT IS ATTRIBUTABLE TO THE COOP-
24 ERATIVE ARRANGEMENT. IN ORDER TO RECEIVE FUNDS UNDER THIS SEC-
25 TION FOR THE PROGRAM, THE BOARD OF EACH OF THE COOPERATING DIS-
26 TRICTS SHALL ADOPT AND SUBMIT TO THE DEPARTMENT A RESOLUTION
27 INDICATING COMPLIANCE WITH THIS SUBSECTION.

1 (19) IF A DISTRICT PARTICIPATES IN 1997-98 IN A CONSORTIUM
2 OR COOPERATIVE PROGRAM THAT OPERATES AN ADULT EDUCATION PROGRAM
3 UNDER THIS SECTION AND THE DISTRICT EITHER PARTICIPATED IN
4 1994-95 OR 1995-96 IN A DIFFERENT ADULT EDUCATION CONSORTIUM OR
5 COOPERATIVE PROGRAM OR OPERATED AN ADULT EDUCATION PROGRAM ITSELF
6 IN 1994-95 OR 1995-96, THE NUMBER OF ADULT EDUCATION PARTICIPANTS
7 FROM THAT DISTRICT SHALL BE COUNTED ONLY IN THE CONSORTIUM OR
8 COOPERATIVE PROGRAM IN WHICH THE DISTRICT PARTICIPATES IN
9 1997-98.

10 (20) THE AMOUNT PAID UNDER THIS SECTION PER PARTICIPANT FOR
11 ADULT EDUCATION PARTICIPANTS FROM A DISTRICT THAT EITHER PARTICI-
12 PATES IN 1997-98 IN A CONSORTIUM OR COOPERATIVE PROGRAM THAT
13 OPERATES AN ADULT EDUCATION PROGRAM OR PARTICIPATED IN 1994-95 OR
14 1995-96 IN SUCH A CONSORTIUM OR COOPERATIVE PROGRAM SHALL BE CAL-
15 CULATED AS FOLLOWS:

16 (A) IF A DISTRICT PARTICIPATES IN 1997-98 IN A CONSORTIUM OR
17 COOPERATIVE PROGRAM THAT OPERATES AN ADULT EDUCATION PROGRAM
18 UNDER THIS SECTION AND THE DISTRICT PARTICIPATED IN 1994-95 OR
19 1995-96 IN A DIFFERENT ADULT EDUCATION CONSORTIUM OR COOPERATIVE
20 PROGRAM, THE AMOUNT PAID UNDER THIS SECTION PER PARTICIPANT FOR
21 ADULT EDUCATION PARTICIPANTS FROM THAT DISTRICT SHALL BE THE
22 LESSER OF THE 1997-98 ADMINISTERING DISTRICT'S FOUNDATION ALLOW-
23 ANCE, THE 1994-95 OR 1995-96 ADMINISTERING DISTRICT'S FOUNDATION
24 ALLOWANCE, OR \$5,500.00.

25 (B) IF A DISTRICT PARTICIPATES IN 1997-98 IN A CONSORTIUM OR
26 COOPERATIVE PROGRAM THAT OPERATES AN ADULT EDUCATION PROGRAM
27 UNDER THIS SECTION AND THE DISTRICT OPERATED AN ADULT EDUCATION

1 PROGRAM ITSELF IN 1994-95 OR 1995-96, THE AMOUNT PAID UNDER THIS
2 SECTION PER PARTICIPANT FOR ADULT EDUCATION PARTICIPANTS FROM
3 THAT DISTRICT SHALL BE THE LESSER OF THAT DISTRICT'S FOUNDATION
4 ALLOWANCE, THE ADMINISTERING DISTRICT'S FOUNDATION ALLOWANCE, OR
5 \$5,500.00.

6 (C) IF A DISTRICT PARTICIPATED IN 1994-95 OR 1995-96 IN AN
7 ADULT EDUCATION CONSORTIUM OR COOPERATIVE PROGRAM, AND IF THERE
8 IS WRITTEN APPROVAL BY THE BOARDS OF ALL OF THE CONSORTIUM OR
9 COOPERATIVE PROGRAM MEMBERS FOR THE DISTRICT TO WITHDRAW FROM THE
10 CONSORTIUM OR COOPERATIVE PROGRAM, THE DISTRICT MAY OPERATE AN
11 ADULT EDUCATION PROGRAM UNDER THIS SECTION IN 1997-98, AND THE
12 AMOUNT PAID UNDER THIS SECTION PER PARTICIPANT FOR ADULT EDUCA-
13 TION PARTICIPANTS FROM THAT DISTRICT SHALL BE THE LESSER OF THAT
14 DISTRICT'S FOUNDATION ALLOWANCE, THE FOUNDATION ALLOWANCE OF THE
15 DISTRICT THAT ADMINISTERED THE CONSORTIUM OR COOPERATIVE PROGRAM
16 IN 1994-95 OR 1995-96, OR \$5,500.00.

17 (21) THE DEPARTMENT SHALL PRORATE PAYMENTS UNDER THIS SEC-
18 TION AS NECESSARY. HOWEVER, IF THE DEPARTMENT DETERMINES THAT
19 PRORATION WILL BE REQUIRED UNDER THIS SECTION, THE SUPERINTENDENT
20 OF PUBLIC INSTRUCTION SHALL NOTIFY THE DEPARTMENT OF MANAGEMENT
21 AND BUDGET, AND THE DEPARTMENT OF MANAGEMENT AND BUDGET SHALL
22 NOTIFY THE LEGISLATURE AT LEAST 30 CALENDAR DAYS OR 6 LEGISLATIVE
23 SESSION DAYS, WHICHEVER IS MORE, BEFORE THE DEPARTMENT REDUCES
24 ANY PAYMENTS UNDER THIS SECTION BECAUSE OF THE PRORATION. DURING
25 THE 30 CALENDAR DAY OR 6 LEGISLATIVE SESSION DAY PERIOD AFTER
26 THAT NOTIFICATION BY THE DEPARTMENT OF MANAGEMENT AND BUDGET, THE
27 DEPARTMENT SHALL NOT REDUCE ANY PAYMENTS UNDER THIS SECTION

1 BECAUSE OF PRORATION. THE LEGISLATURE MAY PREVENT PRORATION
 2 UNDER THIS SECTION FROM OCCURRING BY, WITHIN THE 30 CALENDAR DAY
 3 OR 6 LEGISLATIVE SESSION DAY PERIOD AFTER THAT NOTIFICATION BY
 4 THE DEPARTMENT OF MANAGEMENT AND BUDGET, ENACTING LEGISLATION
 5 APPROPRIATING ADDITIONAL FUNDS FROM THE GENERAL FUND, COUNTERCYC-
 6 LICAL BUDGET AND ECONOMIC STABILIZATION FUND, STATE SCHOOL AID
 7 FUND BALANCE, OR ANOTHER SOURCE TO ENSURE FULL FUNDING.

8 (22) AS USED IN THIS SECTION, "PARTICIPANT" MEANS THE AVER-
 9 AGE NUMBER OF FULL-TIME EQUATED INDIVIDUALS AGE 16 OR OLDER
 10 ENROLLED IN AND ATTENDING A DEPARTMENT-APPROVED ADULT BASIC EDU-
 11 CATION PROGRAM, ADULT HIGH SCHOOL COMPLETION PROGRAM, OR
 12 G.E.D. PREPARATION PROGRAM, AND INDIVIDUALS LESS THAN 20 YEARS OF
 13 AGE ON SEPTEMBER 1 OF THE SCHOOL YEAR WHO ARE ENROLLED IN A JOB
 14 OR EMPLOYMENT RELATED PROGRAM, AS DETERMINED BY THE DEPARTMENT BY
 15 ADDING THE NUMBER OF THOSE INDIVIDUALS COUNTED AS OF THE OCTOBER
 16 PARTICIPANT COUNT DAY AND THE NUMBER OF THOSE INDIVIDUALS COUNTED
 17 AS OF THE FEBRUARY PARTICIPANT COUNT DAY, AND DIVIDING THAT SUM
 18 BY 2, AND AS CORRECTED BY SUBSEQUENT DEPARTMENT AUDIT. IN ADDI-
 19 TION, A PERSON AGE 16 TO 20 ENROLLED IN AND ATTENDING AN ALTERNA-
 20 TIVE EDUCATION PROGRAM OPERATED THROUGH AN ADULT EDUCATION PRO-
 21 GRAM MAY BE COUNTED AS A PARTICIPANT UNDER THIS SECTION.

22 Sec. 147. (1) The allocations for ~~1996-97~~ 1997-98 for the
 23 public school employees' retirement system pursuant to the public
 24 school employees retirement act of 1979, ~~Act No. 300 of the~~
 25 ~~Public Acts of 1980, being sections 38.1301 to 38.1408 of the~~
 26 ~~Michigan Compiled Laws~~ 1980 PA 300, MCL 38.1301 TO 38.1408,
 27 shall be made using the entry age normal cost actuarial method

1 and risk assumptions adopted by the public school employees
2 retirement board and the department of management and budget.
3 The annual level percentage of payroll contribution rate esti-
4 mated for the ~~1996-97~~ 1997-98 state fiscal year is 15.15%. The
5 portion of the contribution rate assigned to districts and inter-
6 mediate districts for the ~~1996-97~~ 1997-98 state fiscal year is
7 all of the total 15.15 percentage points. This contribution rate
8 reflects the first year of a reduction over 3 years in the amor-
9 tization period described in section 41(2) of ~~Act No. 300 of the~~
10 ~~Public Acts of 1980, being section 38.1341 of the Michigan~~
11 ~~Compiled Laws~~ THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF
12 1979, 1980 PA 300, MCL 38.1341, from 50 years to 40 years.
13 Beginning with the 1999-2000 fiscal year, the contribution rate
14 shall be changed each fiscal year to reflect a reduction over 7
15 years in that amortization period from 40 years to 30 years. The
16 public school employees' retirement system board shall notify
17 each district and intermediate district by February 28 of each
18 fiscal year of the estimated contribution rate for the next
19 fiscal year.

20 (2) It is the intent of the legislature that the amortiza-
21 tion period described in section 41(2) of ~~Act No. 300 of the~~
22 ~~Public Acts of 1980, being section 38.1341 of the Michigan~~
23 ~~Compiled Laws~~ THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF
24 1979, 1980 PA 300, MCL 38.1341, be reduced to 40 years by the end
25 of the 1998-99 state fiscal year and further reduced to 30 years
26 by the end of the 2005-2006 state fiscal year.

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

10 (2) In ~~1996-97~~ 1997-98, each district or intermediate dis-
11 trict shall report to the local health department in which it is
12 located by November 1, ~~1996~~ 1997, in a manner prescribed by the
13 department of community health, the immunization status of each
14 pupil in grades K through 12 who enrolled in the district or
15 intermediate district for the first time between January 1,
16 ~~1996~~ 1997 and September 30, ~~1996~~ 1997. Not later than
17 December 31, ~~1996~~ 1997, the department of community health
18 shall notify the department by district or intermediate district
19 of the percentage of entering pupils who do not have a completed,
20 waived, or provisional immunization record in accordance with
21 section 1177 of the revised school code, MCL 380.1177. If a dis-
22 trict or intermediate district does not have a completed, waived,
23 or provisional immunization record in accordance with section
24 1177 of the revised school code, MCL 380.1177, for at least 90%
25 of the district's or intermediate district's entering pupils as
26 recorded in the November 1 reports required under this
27 subsection, the district or intermediate district is subject to

1 subsection (4) until the district or intermediate district has
2 such an immunization record for at least 90% of its pupils.

3 (3) In ~~1996-97~~ 1997-98, each district or intermediate dis-
4 trict shall again report to the local health department in which
5 it is located by February 1, ~~1997~~ 1998, in a manner prescribed
6 by the department of community health, the immunization status of
7 each pupil in grades K through 12 who enrolled in the district or
8 intermediate district for the first time between January 1,
9 ~~1996~~ 1997 and December 31, ~~1996~~ 1997. Not later than
10 March 31, ~~1997~~ 1998, the department of community health shall
11 notify the department by district or intermediate district of the
12 percentage of entering pupils who do not have a completed,
13 waived, or provisional immunization record in accordance with
14 section 1177 of the revised school code, MCL 380.1177. If a dis-
15 trict or intermediate district does not have a completed, waived,
16 or provisional immunization record in accordance with
17 section 1177 of the revised school code, MCL 380.1177, for at
18 least 95% of the district's or intermediate district's entering
19 pupils as recorded in the February 1, 1997 reports required under
20 this subsection, the district or intermediate district is subject
21 to subsection (4) until the district or intermediate district has
22 such an immunization record for at least 95% of its pupils. If
23 the department of community health is not able to report to the
24 department by March 31, ~~1997~~ 1998, because a district or inter-
25 mediate district fails to submit a report as required in this
26 subsection, or submits an incomplete, inaccurate, or late report,
27 the district or intermediate district is subject to

1 subsection (4) until the report is submitted in a complete and
2 accurate form.

3 (4) If a district or intermediate district does not comply
4 with this section, the department shall withhold 5% of the total
5 funds due to the district or intermediate district under this act
6 after the date the department of community health reports a
7 district's or intermediate district's noncompliance with this
8 section to the department until the district or intermediate dis-
9 trict complies with this section. If the district or intermedi-
10 ate district does not comply with this section by the end of the
11 fiscal year, the district or intermediate district forfeits the
12 total amount withheld.

13 Enacting section 1. In accordance with section 30 of arti-
14 cle IX of the state constitution of 1963, total state spending in
15 this amendatory act from state sources for fiscal year 1997-98 is
16 estimated at \$9,253,912,400.00 and state appropriations to be
17 paid to local units of government for fiscal year 1997-98 are
18 estimated at \$9,315,906,000.00.

19 Enacting section 2. Section 107 of the state school aid act
20 of 1979, 1979 PA 94, MCL 388.1707, is repealed effective October
21 1, 1997.

22 Enacting section 3. This amendatory act takes effect
23 October 1, 1997.