



HOUSE BILL No. 4904

September 29, 1999, Introduced by Reps. Geiger, Shackleton, Middaugh, Hager, Rick Johnson, Allen, Garcia, Birkholz, DeVuyst, Jelinek, Green, LaSata, Pumford, Julian, Mortimer, Howell, DeRossett, Kowall, Ehardt, Caul, Cameron Brown, Mead and Jellema and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending section 20 (MCL 388.1620), as amended by 1999 PA 119,
and by adding section 201.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 20. (1) For 1998-99, the basic foundation allowance is
2 \$5,462.00 per membership pupil. For 1999-2000, the basic founda-
3 tion allowance is \$5,696.00 per membership pupil. For 2000-2001,
4 the basic foundation allowance is \$5,866.00 per membership
5 pupil.

6 (2) From the appropriation in section 11, there is allocated
7 for 1998-99 an amount not to exceed \$8,034,100,000.00, for
8 1999-2000 an amount not to exceed \$8,516,932,000.00, and for
9 2000-2001 an amount not to exceed \$8,906,496,200.00 to guarantee
10 each district a foundation allowance per membership pupil other

1 than special education pupils and to make payments under this
2 section to public school academies and university schools for
3 membership pupils other than special education pupils. The
4 amount of each district's foundation allowance shall be calcu-
5 lated as provided in this section, using a basic foundation
6 allowance in the amount specified in subsection (1). If the max-
7 imum amount allocated under this section is not sufficient to
8 fully fund payments under this section, and before any proration
9 required under section 11, the amount of the payment to each dis-
10 trict, university school, and public school academy shall be pro-
11 rated by reducing by an equal percentage the total payment under
12 this section to each district, university school, and public
13 school academy. However, if the department determines that pro-
14 ration will be required under this section, the superintendent of
15 public instruction shall notify the state budget director, and
16 the state budget director shall notify the legislature at least
17 30 calendar days or 6 legislative session days, whichever is
18 more, before the department reduces any payments under this sec-
19 tion because of the proration. During the 30 calendar day or 6
20 legislative session day period after that notification by the
21 state budget director, the department shall not reduce any pay-
22 ments under this section because of proration. The legislature
23 may prevent proration under this section from occurring by,
24 within the 30 calendar day or 6 legislative session day period
25 after that notification by the director, enacting legislation
26 appropriating additional funds from the general fund,
27 countercyclical budget and economic stabilization fund, state

1 school aid fund balance, or another source to ensure full
2 foundation allowance funding for each district, university
3 school, and public school academy.

4 (3) Except as otherwise provided in this section, the amount
5 of a district's foundation allowance shall be calculated as fol-
6 lows, using in all calculations the total amount of the
7 district's foundation allowance as calculated before any
8 proration:

9 (a) For a district that in the immediately preceding state
10 fiscal year had a foundation allowance at least equal to the sum
11 of \$4,200.00 plus the total dollar amount of all adjustments made
12 from 1994-95 to the immediately preceding state fiscal year in
13 the lowest foundation allowance among all districts, but less
14 than the basic foundation allowance in the immediately preceding
15 state fiscal year, the district shall receive a foundation allow-
16 ance in an amount equal to the sum of the district's foundation
17 allowance for the immediately preceding state fiscal year plus
18 the difference between twice the dollar amount of the adjustment
19 from the immediately preceding state fiscal year to the current
20 state fiscal year made in the basic foundation allowance and
21 [(the dollar amount of the adjustment from the immediately pre-
22 ceding state fiscal year to the current state fiscal year made in
23 the basic foundation allowance minus \$50.00) times (the differ-
24 ence between the district's foundation allowance for the immedi-
25 ately preceding state fiscal year and the sum of \$4,200.00 plus
26 the total dollar amount of all adjustments made from 1994-95 to
27 the immediately preceding state fiscal year in the lowest

1 foundation allowance among all districts) divided by the
2 difference between the basic foundation allowance for the current
3 state fiscal year and the sum of \$4,200.00 plus the total dollar
4 amount of all adjustments made from 1994-95 to the immediately
5 preceding state fiscal year in the lowest foundation allowance
6 among all districts]. However, the foundation allowance for a
7 district that had less than the basic foundation allowance in the
8 immediately preceding state fiscal year shall not exceed the
9 basic foundation allowance for the current state fiscal year.

10 (b) Except as otherwise provided in subdivision (c) or (d),
11 for a district that in the immediately preceding state fiscal
12 year had a foundation allowance in an amount at least equal to
13 the amount of the basic foundation allowance for the immediately
14 preceding state fiscal year, the district shall receive a founda-
15 tion allowance in an amount equal to the sum of the district's
16 foundation allowance for the immediately preceding state fiscal
17 year plus the dollar amount of the adjustment from the immedi-
18 ately preceding state fiscal year to the current state fiscal
19 year in the basic foundation allowance.

20 (c) For 1999-2000 only, for a district that in the immedi-
21 ately preceding state fiscal year had a foundation allowance
22 greater than \$6,962.00 and less than \$12,000.00, the district
23 shall receive a foundation allowance in an amount equal to the
24 sum of the district's foundation allowance for the immediately
25 preceding state fiscal year plus 1.6% of the district's founda-
26 tion allowance for the immediately preceding state fiscal year.

1 (d) For 2000-2001 only, for a district that in the
2 immediately preceding state fiscal year had a foundation
3 allowance greater than \$7,196.00 and less than \$12,234.00, the
4 district shall receive a foundation allowance in an amount equal
5 to the sum of the district's foundation allowance for the immedi-
6 ately preceding state fiscal year plus 1.6% of the district's
7 foundation allowance for the immediately preceding state fiscal
8 year.

9 (e) For 1998-99, each district's foundation allowance shall
10 be at least \$5,170.00.

11 (4) To ensure that a district receives the district's foun-
12 dation allowance, there is allocated to each district a state
13 portion of the district's foundation allowance in an amount cal-
14 culated under this subsection. Except as otherwise provided in
15 this subsection, the state portion of a district's foundation
16 allowance is an amount equal to the district's foundation allow-
17 ance or \$6,500.00, whichever is less, minus the difference
18 between the product of the taxable value per membership pupil of
19 all property in the district that is not a homestead or qualified
20 agricultural property times the lesser of 18 mills or the number
21 of mills of school operating taxes levied by the district in
22 1993-94 and the quotient of the ad valorem property tax revenue
23 of the district captured under 1975 PA 197, MCL 125.1651 to
24 125.1681, the tax increment finance authority act, 1980 PA 450,
25 MCL 125.1801 to 125.1830, the local development financing act,
26 1986 PA 281, MCL 125.2151 to 125.2174, or the Brownfield
27 redevelopment financing act, 1996 PA 381, MCL 125.2651 to

1 125.2672, divided by the district's membership excluding special
2 education pupils. For 1999-2000 only, for a district described
3 in subsection (3)(c), the state portion of the district's founda-
4 tion allowance is an amount equal to \$6,962.00 plus 1.6% of the
5 district's foundation allowance for the immediately preceding
6 state fiscal year minus the difference between the product of the
7 taxable value per membership pupil of all property in the dis-
8 trict that is not a homestead or qualified agricultural property
9 times the lesser of 18 mills or the number of mills of school
10 operating taxes levied by the district in 1993-94 and the quo-
11 tient of the ad valorem property tax revenue of the district cap-
12 tured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax incre-
13 ment finance authority act, 1980 PA 450, MCL 125.1801 to
14 125.1830, the local development financing act, 1986 PA 281,
15 MCL 125.2151 to 125.2174, or the Brownfield redevelopment financ-
16 ing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the
17 district's membership excluding special education pupils. For
18 2000-2001 only, for a district described in subsection (3)(d),
19 the state portion of the district's foundation allowance is an
20 amount equal to \$7,196.00 plus 1.6% of the district's foundation
21 allowance for the immediately preceding state fiscal year minus
22 the difference between the product of the taxable value per mem-
23 bership pupil of all property in the district that is not a home-
24 stead or qualified agricultural property times the lesser of 18
25 mills or the number of mills of school operating taxes levied by
26 the district in 1993-94 and the quotient of the ad valorem
27 property tax revenue of the district captured under 1975 PA 197,

1 MCL 125.1651 to 125.1681, the tax increment finance authority
2 act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development
3 financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the
4 Brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651
5 to 125.2672, divided by the district's membership excluding spe-
6 cial education pupils. For a district that has a millage reduc-
7 tion required under section 31 of article IX of the state consti-
8 tution of 1963, the state portion of the district's foundation
9 allowance shall be calculated as if that reduction did not
10 occur. For each fiscal year after 1994-95, the \$6,500.00 amount
11 prescribed in this subsection shall be adjusted each year by an
12 amount equal to the dollar amount of the difference between the
13 basic foundation allowance for the current state fiscal year and
14 \$5,000.00.

15 (5) The allocation under this section for a pupil shall be
16 based on the foundation allowance of the pupil's district of
17 residence. However, for a pupil enrolled pursuant to section 105
18 in a district other than the pupil's district of residence, the
19 allocation under this section shall be based on the lesser of the
20 foundation allowance of the pupil's district of residence or the
21 foundation allowance of the educating district. For a pupil in
22 membership in a K-5, K-6, or K-8 district who is enrolled in
23 another district in a grade not offered by the pupil's district
24 of residence, the allocation under this section shall be based on
25 the foundation allowance of the educating district if the educat-
26 ing district's foundation allowance is greater than the
27 foundation allowance of the pupil's district of residence.

1 (6) Subject to subsection (7) and except as otherwise
2 provided in this subsection, for pupils in membership, other than
3 special education pupils, in a public school academy or a univer-
4 sity school, there is allocated under this section each fiscal
5 year for 1998-99, for 1999-2000, and for 2000-2001 to the autho-
6 rizing body that is the fiscal agent for the public school acad-
7 emy for forwarding to the public school academy, or to the board
8 of the public university operating the university school, an
9 amount per membership pupil other than special education pupils
10 in the public school academy or university school equal to the
11 sum of the local school operating revenue per membership pupil
12 other than special education pupils for the district in which the
13 public school academy or university school is located and the
14 state portion of that district's foundation allowance, or the sum
15 of the basic foundation allowance under subsection (1) plus
16 \$500.00, whichever is less. Notwithstanding section 101(2), for
17 a public school academy that begins operations in 1998-99,
18 1999-2000, or 2000-2001, as applicable, after the pupil member-
19 ship count day, the amount per membership pupil calculated under
20 this subsection shall be adjusted by multiplying that amount per
21 membership pupil by the number of hours of pupil instruction pro-
22 vided by the public school academy after it begins operations, as
23 determined by the department, divided by the minimum number of
24 hours of pupil instruction required under section 1284 of the
25 revised school code, MCL 380.1284. The result of this calcula-
26 tion shall not exceed the amount per membership pupil otherwise
27 calculated under this subsection.

1 (7) If more than 25% of the pupils residing within a
2 district are in membership in 1 or more public school academies
3 located in the district, then the amount per membership pupil
4 allocated under this section to the authorizing body that is the
5 fiscal agent for a public school academy located in the district
6 for forwarding to the public school academy shall be reduced by
7 an amount equal to the difference between the product of the tax-
8 able value per membership pupil of all property in the district
9 that is not a homestead or qualified agricultural property times
10 the lesser of 18 mills or the number of mills of school operating
11 taxes levied by the district in 1993-94 and the quotient of the
12 ad valorem property tax revenue of the district captured under
13 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance
14 authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local
15 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174,
16 or the Brownfield redevelopment financing act, 1996 PA 381,
17 MCL 125.2651 to 125.2672, divided by the district's membership
18 excluding special education pupils, in the school fiscal year
19 ending in the current state fiscal year, calculated as if the
20 resident pupils in membership in 1 or more public school acade-
21 mies located in the district were in membership in the district.
22 In order to receive state school aid under this act, a district
23 described in this subsection shall pay to the authorizing body
24 that is the fiscal agent for a public school academy located in
25 the district for forwarding to the public school academy an
26 amount equal to that local school operating revenue per
27 membership pupil for each resident pupil in membership other than

1 special education pupils in the public school academy, as
2 determined by the department.

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

17 (9) For a district that had combined state and local revenue
18 per membership pupil in the 1993-94 state fiscal year of more
19 than \$6,500.00 and that had fewer than 350 pupils in membership,
20 if the district elects not to reduce the number of mills from
21 which a homestead and qualified agricultural property are exempt
22 and not to levy school operating taxes on a homestead and quali-
23 fied agricultural property as provided in section 1211(1) of the
24 revised school code, MCL 380.1211, and not to levy school operat-
25 ing taxes on all property as provided in section 1211(2) of the
26 revised school code, MCL 380.1211, there is allocated under this
27 subsection for 1994-95 and each succeeding fiscal year a separate

1 supplemental payment in an amount equal to the amount the
2 district would have received per membership pupil had it levied
3 school operating taxes on a homestead and qualified agricultural
4 property at the rate authorized for the district under
5 section 1211(1) of the revised school code, MCL 380.1211, and
6 levied school operating taxes on all property at the rate autho-
7 rized for the district under section 1211(2) of the revised
8 school code, MCL 380.1211, as determined by the department of
9 treasury. A district shall not receive a separate supplemental
10 payment under this subsection for a fiscal year unless in the
11 calendar year ending in the fiscal year the district levies 18
12 mills or the number of mills of school operating taxes levied by
13 the district in 1993, whichever is less, on property that is not
14 a homestead or qualified agricultural property. If in the calen-
15 dar year ending in the fiscal year a district does not levy 18
16 mills or the number of mills of school operating taxes levied by
17 the district in 1993, whichever is less, on property that is not
18 a homestead or qualified agricultural property, the payment under
19 this subsection will be reduced by the same percentage as the
20 millage actually levied compares to the 18 mills or the number of
21 mills levied in 1993, whichever is less.

22 (10) A district or public school academy may use any funds
23 allocated under this section in conjunction with any federal
24 funds for which the district or public school academy otherwise
25 would be eligible.

26 (11) For a district that is formed or reconfigured after
27 June 1, 1994 by consolidation of 2 or more districts or by

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

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

17 (13) State payments related to payment of the foundation
18 allowance for a special education pupil are not funded under this
19 section but are instead funded under section 51a.

20 (14) To assist the legislature in determining the basic
21 foundation allowance for the subsequent state fiscal year, each
22 revenue estimating conference conducted under section 367b of the
23 management and budget act, 1984 PA 431, MCL 18.1367b, shall cal-
24 culate a pupil membership factor, a revenue adjustment factor,
25 and an index as follows:

26 (a) The pupil membership factor shall be computed by
27 dividing the estimated membership in the school year ending in

1 the current state fiscal year, excluding intermediate district
2 membership, by the estimated membership for the school year
3 ending in the subsequent state fiscal year, excluding intermedi-
4 ate district membership. If a consensus membership factor is not
5 determined at the revenue estimating conference, the principals
6 of the revenue estimating conference shall report their estimates
7 to the house and senate subcommittees responsible for school aid
8 appropriations not later than 7 days after the conclusion of the
9 revenue conference.

10 (b) The revenue adjustment factor shall be computed by
11 dividing the sum of the estimated total state school aid fund
12 revenue for the subsequent state fiscal year plus the estimated
13 total state school aid fund revenue for the current state fiscal
14 year, adjusted for any change in the rate or base of a tax the
15 proceeds of which are deposited in that fund and excluding money
16 transferred into that fund from the countercyclical budget and
17 economic stabilization fund under section 353e of the management
18 and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the
19 estimated total school aid fund revenue for the current state
20 fiscal year plus the estimated total state school aid fund reve-
21 nue for the immediately preceding state fiscal year, adjusted for
22 any change in the rate or base of a tax the proceeds of which are
23 deposited in that fund. If a consensus revenue factor is not
24 determined at the revenue estimating conference, the principals
25 of the revenue estimating conference shall report their estimates
26 to the house and senate subcommittees responsible for school aid

1 appropriations not later than 7 days after the conclusion of the
2 revenue conference.

3 (c) The index shall be calculated by multiplying the pupil
4 membership factor by the revenue adjustment factor. However, for
5 1998-99 only, the index shall be 1.00. If a consensus index is
6 not determined at the revenue estimating conference, the princi-
7 pals of the revenue estimating conference shall report their
8 estimates to the house and senate subcommittees responsible for
9 school aid appropriations not later than 7 days after the conclu-
10 sion of the revenue conference.

11 (15) If the principals at the revenue estimating conference
12 reach a consensus on the index described in subsection (14)(c),
13 the basic foundation allowance for the subsequent state fiscal
14 year shall be at least the amount of that consensus index multi-
15 plied by the basic foundation allowance specified in subsection
16 (1).

17 (16) If at the January revenue estimating conference it is
18 estimated that pupil membership, excluding intermediate district
19 membership, for the subsequent state fiscal year will be greater
20 than 101% of the pupil membership, excluding intermediate dis-
21 trict membership, for the current state fiscal year, then it is
22 the intent of the legislature that the executive budget proposal
23 for the school aid budget for the subsequent state fiscal year
24 include a general fund/general purpose allocation sufficient to
25 support the membership in excess of 101% of the current year
26 pupil membership.

1 (17) Beginning in 1999-2000, for a district that had
2 combined state and local revenue per membership pupil in the
3 1993-94 state fiscal year of more than \$6,500.00, that had fewer
4 than 7 pupils in membership in the 1993-94 state fiscal year,
5 that has at least 1 pupil in membership educated in the district
6 in the current state fiscal year, and that levies the number of
7 mills of school operating taxes authorized for the district under
8 section 1211 of the revised school code, MCL 380.1211, the dis-
9 trict shall be allocated a minimum amount of combined state and
10 local revenue as provided under this subsection. This minimum
11 amount of combined state and local revenue for 1999-2000 shall be
12 \$67,000.00 plus the district's additional expenses to educate
13 pupils in grades 9 to 12 educated in other districts as deter-
14 mined and allowed by the department. Beginning in 2000-2001, the
15 amount of the minimum amount of combined state and local revenue
16 under this subsection, before adding the additional expenses,
17 shall increase each fiscal year by the same percentage increase
18 as the percentage increase in the basic foundation allowance from
19 the immediately preceding fiscal year to the current fiscal
20 year. The state portion of the minimum amount of combined state
21 and local revenue under this subsection shall be calculated by
22 subtracting from the minimum amount of combined state and local
23 revenue under this subsection the sum of the district's local
24 school operating revenue and the product of the state portion of
25 the district's foundation allowance times the district's
26 membership. As used in this subsection, "additional expenses"
27 means the district's expenses for tuition or fees, not to exceed

1 \$6,500.00 as adjusted each year by an amount equal to the dollar
2 amount of the difference between the basic foundation allowance
3 for the current state fiscal year and \$5,000.00, plus a room and
4 board stipend not to exceed \$10.00 per school day for each pupil
5 in grades 9 to 12 educated in another district, as approved by
6 the department.

7 (18) BEGINNING IN 2001-2002, A DISTRICT'S FOUNDATION ALLOW-
8 ANCE SHALL BE AT LEAST AN AMOUNT EQUAL TO THE DISTRICT'S FOUNDA-
9 TION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR
10 PLUS THE PRODUCT OF (THE INDEX CALCULATED UNDER SUBSECTION
11 (14)(C) MULTIPLIED BY THE SUM OF \$9,230.00 PLUS THE TOTAL DOLLAR
12 AMOUNT OF ALL ADJUSTMENTS MADE FROM 2001-2002 TO THE CURRENT
13 STATE FISCAL YEAR IN THE BASIC FOUNDATION ALLOWANCE).

14 (19) ~~-(18)-~~ As used in this section:

15 (a) "Combined state and local revenue" means the aggregate
16 of the district's state school aid received by or paid on behalf
17 of the district under this section and the district's local
18 school operating revenue.

19 (b) "Combined state and local revenue per membership pupil"
20 means the district's combined state and local revenue divided by
21 the district's membership excluding special education pupils.

22 (c) "Current state fiscal year" means the state fiscal year
23 for which a particular calculation is made.

24 (d) "Homestead" means that term as defined in section 1211
25 of the revised school code, MCL 380.1211.

1 (e) "Immediately preceding state fiscal year" means the
2 state fiscal year immediately preceding the current state fiscal
3 year.

4 (f) "Local school operating revenue" means school operating
5 taxes levied under section 1211 of the revised school code,
6 MCL 380.1211.

7 (g) "Local school operating revenue per membership pupil"
8 means a district's local school operating revenue divided by the
9 district's membership excluding special education pupils.

10 (h) "Membership" means the definition of that term under
11 section 6 as in effect for the particular fiscal year for which a
12 particular calculation is made.

13 (i) "Qualified agricultural property" means that term as
14 defined in section 1211 of the revised school code,
15 MCL 380.1211.

16 (j) "School operating purposes" means the purposes included
17 in the operation costs of the district as prescribed in
18 sections 7 and 18.

19 (k) "School operating taxes" means local ad valorem property
20 taxes levied under section 1211 of the revised school code,
21 MCL 380.1211, and retained for school operating purposes.

22 (l) "Taxable value per membership pupil" means taxable
23 value, as certified by the department of treasury, for the calen-
24 dar year ending in the current state fiscal year divided by the
25 district's membership excluding special education pupils for the
26 school year ending in the current state fiscal year.

1 SEC. 201. (1) FROM THE APPROPRIATION MADE IN SECTION 11 FOR
2 THE 2001-2002 FISCAL YEAR, THERE SHALL BE ALLOCATED AN AMOUNT NOT
3 TO EXCEED \$40,000,000.00 FOR FOUNDATION ALLOWANCE EQUITY PAYMENTS
4 UNDER THIS SECTION TO DISTRICTS THAT IN THE IMMEDIATELY PRECEDING
5 FISCAL YEAR HAD A FOUNDATION ALLOWANCE OF LESS THAN \$6,366.00
6 ADJUSTED BY THE TOTAL DOLLAR AMOUNT OF ALL ADJUSTMENTS MADE FROM
7 2001-2002 TO THE CURRENT STATE FISCAL YEAR IN THE BASIC FOUNDA-
8 TION ALLOWANCE.

9 (2) FOR 2001-2002, THE EQUITY INDEX IS 22.

10 (3) THE PER PUPIL ALLOCATION TO EACH DISTRICT UNDER THIS
11 SECTION SHALL BE AN AMOUNT EQUAL TO 2 TIMES THE EQUITY INDEX
12 SPECIFIED UNDER SUBSECTION (2) MINUS [THE EQUITY INDEX TIMES (THE
13 DISTRICT'S FOUNDATION ALLOWANCE AS CALCULATED UNDER SECTION 20
14 MINUS \$5,866.00 ADJUSTED BY THE TOTAL DOLLAR AMOUNT OF ALL
15 ADJUSTMENTS MADE FROM 2001-2002 TO THE CURRENT FISCAL YEAR IN THE
16 BASIC FOUNDATION ALLOWANCE) DIVIDED BY (THE DIFFERENCE BETWEEN
17 \$6,366.00 ADJUSTED BY THE TOTAL DOLLAR AMOUNT OF ALL ADJUSTMENTS
18 MADE FROM 2001-2002 TO THE CURRENT FISCAL YEAR IN THE BASIC FOUN-
19 DATION ALLOWANCE MINUS \$5,866.00 ADJUSTED BY THE TOTAL DOLLAR
20 AMOUNT OF ALL ADJUSTMENTS MADE FROM 2001-2002 TO THE CURRENT
21 STATE FISCAL YEAR IN THE BASIC FOUNDATION ALLOWANCE AND IN THE
22 EQUITY INDEX)].

23 (4) BEGINNING IN 2002-2003, THE LEGISLATURE SHALL INCLUDE IN
24 THIS SECTION FOR EACH STATE FISCAL YEAR A PROVISION ESTABLISHING
25 THE EQUITY INDEX TO BE USED FOR CALCULATIONS UNDER THIS SECTION
26 FOR THAT STATE FISCAL YEAR.

1 (5) IT IS THE INTENT OF THE LEGISLATURE THAT IF A DISTRICT
2 WAS ELIGIBLE TO RECEIVE A PAYMENT UNDER THIS SECTION IN
3 2001-2002, THE COMBINED TOTAL AMOUNT OF THE PAYMENTS TO THE DIS-
4 TRICT UNDER THIS SECTION AND SECTION 20 FOR 2002-2003 SHALL EQUAL
5 THE SUM OF THE DISTRICT'S FOUNDATION ALLOWANCE UNDER SECTION 20
6 FOR 2001-2002 PLUS THE DISTRICT'S PER PUPIL PAYMENT UNDER THIS
7 SECTION FOR 2001-2002 PLUS THE DOLLAR AMOUNT OF THE INCREASE IN
8 THE BASIC FOUNDATION ALLOWANCE FROM 2001-2002 TO 2002-2003.