

# HOUSE BILL No. 6061

May 9, 2002, Introduced by Reps. Kuipers, Van Woerkom, Birkholz, Voorhees, Shackleton, Toy, Vander Veen, Allen, Julian and Meyer 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 3 and 6 (MCL 388.1603 and 388.1606), section  
3 as amended by 2000 PA 297 and section 6 as amended by 2002  
PA 191, and by adding section 92.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 3. (1) "Average daily attendance", for the purposes of  
2 complying with federal law, means 92% of the membership as  
3 defined in section 6(4).

4           (2) "Board" means the governing body of a district or public  
5 school academy.

6           (3) "Cooperative education program" means a written volun-  
7 tary agreement between and among districts to provide certain  
8 educational programs for pupils in certain groups of districts.  
9 The written agreement shall be approved by all affected districts

1 at least annually and shall specify the educational programs to  
2 be provided and the estimated number of pupils from each district  
3 who will participate in the educational programs.

4 (4) "Department", except in sections 67, 68, {92,} 107, and  
5 108, means the department of education.

6 (5) "District" means a local school district established  
7 under the revised school code, a local act school district, or,  
8 except in sections 6(4), 6(6), 13, 20, 22a, 23, 31a, 32f, {92,}  
9 105, and 105c, a public school academy. Except in sections 6(4),  
10 6(6), 13, 20, 22a, {92,} 105, and 105c, district also includes a  
11 university school.

12 (6) "District of residence", except as otherwise provided in  
13 this subsection, means the district in which a pupil's custodial  
14 parent or parents or legal guardian resides. For a pupil  
15 described in section 24b, the pupil's district of residence is  
16 the district in which the pupil enrolls under that section. For  
17 a pupil described in section 6(4)(d), the pupil's district of  
18 residence shall be considered to be the district or intermediate  
19 district in which the pupil is counted in membership under that  
20 section. For a pupil under court jurisdiction who is placed out-  
21 side the district in which the pupil's custodial parent or par-  
22 ents or legal guardian resides, the pupil's district of residence  
23 shall be considered to be the educating district or educating  
24 intermediate district.

25 (7) "District superintendent" means the superintendent of a  
26 district, the chief administrator of a public school academy, or  
27 the chief administrator of a university school.

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 also qualify. Unless otherwise approved by the  
9 department, a center program either shall serve all constituent  
10 districts within an intermediate district or shall serve several  
11 districts with less than 50% of the pupils residing in the oper-  
12 ating district. In addition, special education center program  
13 pupils placed part-time in noncenter programs to comply with the  
14 least restrictive environment provisions of section 612 of part B  
15 of the individuals with disabilities education act, title VI of  
16 Public Law 91-230, 20 U.S.C. 1412, may be considered center pro-  
17 gram pupils for pupil accounting purposes for the time scheduled  
18 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  
27 for the immediately preceding school year, adjusted for those

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

6 (4) "Membership", except as otherwise provided in this act,  
7 means for a district, public school academy, university school,  
8 or intermediate district the sum of the product of .8 times the  
9 number of full-time equated pupils in grades K to 12 actually  
10 enrolled and in regular daily attendance on the pupil membership  
11 count day for the current school year, plus the product of .2  
12 times the final audited count from the supplemental count day for  
13 the immediately preceding school year. All pupil counts used in  
14 this subsection are as determined by the department and calcu-  
15 lated by adding the number of pupils registered for attendance  
16 plus pupils received by transfer and minus pupils lost as defined  
17 by rules promulgated by the superintendent, and as corrected by a  
18 subsequent department audit. The amount of the foundation allow-  
19 ance for a pupil in membership is determined under section 20.  
20 In making the calculation of membership, all of the following, as  
21 applicable, apply to determining the membership of a district,  
22 public school academy, university school, or intermediate  
23 district:

24 (a) Except as otherwise provided in this subsection, and  
25 pursuant to subsection (6), a pupil shall be counted in member-  
26 ship in the pupil's educating district or districts. An

1 individual pupil shall not be counted for more than a total of  
2 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, if the pupil is not being educated  
5 as part of a cooperative education program, if the pupil's dis-  
6 trict of residence does not give the educating district its  
7 approval to count the pupil in membership in the educating dis-  
8 trict, and if the pupil is not covered by an exception specified  
9 in subsection (6) to the requirement that the educating district  
10 must have the approval of the pupil's district of residence to  
11 count the pupil in membership, the pupil shall not be counted in  
12 membership in any district.

13 (c) A special education pupil educated by the intermediate  
14 district shall be counted in membership in the intermediate  
15 district.

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

22 (e) A pupil enrolled in the Michigan schools for the deaf  
23 and blind shall be counted in membership in the pupil's interme-  
24 diate district of residence.

25 (f) A pupil enrolled in a vocational education program sup-  
26 ported by a millage levied over an area larger than a single  
27 district or in an area vocational-technical education program

1 established pursuant to section 690 of the revised school code,  
2 MCL 380.690, shall be counted only in the pupil's district of  
3 residence.

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

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

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

12 (i) If operations begin before the pupil membership count  
13 day for the fiscal year, membership is the average number of  
14 full-time equated pupils in grades K to 12 actually enrolled and  
15 in regular daily attendance on the pupil membership count day for  
16 the current school year and on the supplemental count day for the  
17 current school year, as determined by the department and calcu-  
18 lated by adding the number of pupils registered for attendance on  
19 the pupil membership count day plus pupils received by transfer  
20 and minus pupils lost as defined by rules promulgated by the  
21 superintendent, and as corrected by a subsequent department  
22 audit, plus the final audited count from the supplemental count  
23 day for the current school year, and dividing that sum by 2.

24 (ii) If operations begin after the pupil membership count  
25 day for the fiscal year and not later than the supplemental count  
26 day for the fiscal year, membership is the final audited count of  
27 the number of full-time equated pupils in grades K to 12 actually

1 enrolled and in regular daily attendance on the supplemental  
2 count day for the current school year.

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

12 (k) In a district, public school academy, university school,  
13 or intermediate district operating an extended school year pro-  
14 gram approved by the superintendent, a pupil enrolled, but not  
15 scheduled to be in regular daily attendance on a pupil membership  
16 count day, shall be counted.

17 (l) Pupils to be counted in membership shall be not less  
18 than 5 years of age on December 1 and less than 20 years of age  
19 on September 1 of the school year except a special education  
20 pupil who is enrolled and receiving instruction in a special edu-  
21 cation program approved by the department and not having a high  
22 school diploma who is less than 26 years of age as of September 1  
23 of the current school year shall be counted in membership.

24 (m) An individual who has obtained a high school diploma  
25 shall not be counted in membership. An individual who has  
26 obtained a general education development (G.E.D.) certificate  
27 shall not be counted in membership. An individual participating

1 in a job training program funded under former section 107a or a  
2 jobs program funded under former section 107b, administered by  
3 the Michigan strategic fund or the department of career develop-  
4 ment, or participating in any successor of either of those 2 pro-  
5 grams, shall not be counted in membership.

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

16 (i) If the public school academy provides instruction for at  
17 least 1/2 of the class hours specified in subdivision (q), the  
18 public school academy shall receive as its prorated share of the  
19 full-time equated membership for each of those pupils an amount  
20 equal to 1 times the product of the hours of instruction the  
21 public school academy provides divided by the number of hours  
22 specified in subdivision (q) for full-time equivalency, and the  
23 remainder of the full-time membership for each of those pupils  
24 shall be allocated to the district or intermediate district pro-  
25 viding the remainder of the hours of instruction.

26 (ii) If the public school academy provides instruction for  
27 less than 1/2 of the class hours specified in subdivision (q),

1 the district or intermediate district providing the remainder of  
2 the hours of instruction shall receive as its prorated share of  
3 the full-time equated membership for each of those pupils an  
4 amount equal to 1 times the product of the hours of instruction  
5 the district or intermediate district provides divided by the  
6 number of hours specified in subdivision (q) for full-time equiv-  
7 alency, and the remainder of the full-time membership for each of  
8 those pupils shall be allocated to the public school academy.

9 (o) An individual less than 16 years of age as of September  
10 1 of the current school year who is being educated in an alterna-  
11 tive education program shall not be counted in membership if  
12 there are also adult education participants being educated in the  
13 same program or classroom.

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

16 (q) The number of class hours used to calculate full-time  
17 equated memberships shall be consistent with section 101(3). In  
18 determining full-time equated memberships for pupils who are  
19 enrolled in a postsecondary institution, a pupil shall not be  
20 considered to be less than a full-time equated pupil solely  
21 because of the effect of his or her postsecondary enrollment,  
22 including necessary travel time, on the number of class hours  
23 provided by the district to the pupil.

24 (r) Full-time equated memberships for pupils in kindergarten  
25 shall be determined by dividing the number of class hours sched-  
26 uled and provided per year per kindergarten pupil by a number

1 equal to 1/2 the number used for determining full-time equated  
2 memberships for pupils in grades 1 to 12.

3 (s) 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 superintendent, 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 (t) A pupil enrolled in a cooperative education program may  
19 be counted in membership in the pupil's district of residence  
20 with the written approval of all parties to the cooperative  
21 agreement.

22 (u) If, as a result of a disciplinary action, a district  
23 determines through the district's alternative or disciplinary  
24 education program that the best instructional placement for a  
25 pupil is in the pupil's home, if that placement is authorized in  
26 writing by the district superintendent and district alternative  
27 or disciplinary education supervisor, and if the district

1 provides appropriate instruction as described in this subdivision  
2 to the pupil at the pupil's home, the district may count the  
3 pupil in membership on a pro rata basis, with the proration based  
4 on the number of hours of instruction the district actually pro-  
5 vides to the pupil divided by the number of hours specified in  
6 subdivision (q) for full-time equivalency. For the purposes of  
7 this subdivision, a district shall be considered to be providing  
8 appropriate instruction if all of the following are met:

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

12 (ii) The district provides instructional materials,  
13 resources, and supplies, except computers, that are comparable to  
14 those otherwise provided in the district's alternative education  
15 program.

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

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

20 (v) A pupil enrolled in an alternative or disciplinary edu-  
21 cation program described in section 25 shall be counted in mem-  
22 bership in the district or public school academy that expelled  
23 the pupil.

24 (w) If a pupil was enrolled in a public school academy on  
25 the pupil membership count day, if the public school academy's  
26 contract with its authorizing body is revoked, and if the pupil  
27 enrolls in a district within 45 days after the pupil membership

1 count day, the department shall adjust the district's pupil count  
2 for the pupil membership count day to include the pupil in the  
3 count.

4 (x) For a public school academy that has been in operation  
5 for at least 2 years and that suspended operations for at least 1  
6 semester and is resuming operations, membership is the sum of the  
7 product of .8 times the number of full-time equated pupils in  
8 grades K to 12 actually enrolled and in regular daily attendance  
9 on the first pupil membership count day or supplemental count  
10 day, whichever is first, occurring after operations resume, plus  
11 the product of .2 times the final audited count from the most  
12 recent pupil membership count day or supplemental count day that  
13 occurred before suspending operations, as determined by the  
14 superintendent.

15 (y) For districts located in the Lower Peninsula only, if  
16 the district's membership for a particular fiscal year, as other-  
17 wise calculated under this subsection, would be less than 1,550  
18 pupils and the district has 4.5 or fewer pupils per square mile,  
19 as determined by the department, the district's membership shall  
20 be considered to be the membership figure calculated under this  
21 subdivision. If a district educates and counts in its membership  
22 pupils in grades 9 to 12 who reside in a contiguous district that  
23 does not operate grades 9 to 12 and if 1 or both of the affected  
24 districts request the department to use the determination allowed  
25 under this sentence, the department shall include the square  
26 mileage of both districts in determining the number of pupils per  
27 square mile for each of the districts for the purposes of this

1 subdivision. The membership figure calculated under this  
2 subdivision is the greater of the following:

3 (i) The average of the district's membership for the  
4 3-fiscal-year period ending with that fiscal year, calculated by  
5 adding the district's actual membership for each of those 3  
6 fiscal years, as otherwise calculated under this subsection, and  
7 dividing the sum of those 3 membership figures by 3.

8 (ii) The district's actual membership for that fiscal year  
9 as otherwise calculated under this subsection.

10 (z) If a public school academy that is not in its first or  
11 second year of operation closes at the end of a school year and  
12 does not reopen for the next school year, the department shall  
13 adjust the membership count of the district in which a former  
14 pupil of the public school academy enrolls and is in regular  
15 daily attendance for the next school year to ensure that the dis-  
16 trict receives the same amount of membership aid for the pupil as  
17 if the pupil were counted in the district on the supplemental  
18 count day of the preceding school year.

19 (AA) FOR A DISTRICT THAT IS SELECTED BY THE DEPARTMENT OF  
20 TREASURY FOR PARTICIPATION IN THE DECLINING ENROLLMENT ASSISTANCE  
21 PROGRAM UNDER SECTION 92, IF THE DEPARTMENT OF TREASURY ELECTS TO  
22 MAKE THE DISTRICT SUBJECT TO THIS SUBDIVISION AND NOTIFIES THE  
23 DEPARTMENT THAT THE DISTRICT SHALL BE SUBJECT TO THIS SUBDIVI-  
24 SION, THE DISTRICT'S MEMBERSHIP SHALL BE CONSIDERED TO BE THE  
25 MEMBERSHIP FIGURE CALCULATED UNDER THIS SUBDIVISION. THE MEMBER-  
26 SHIP FIGURE CALCULATED UNDER THIS SUBDIVISION IS THE GREATER OF  
27 THE FOLLOWING:

1           (i) THE AVERAGE OF THE DISTRICT'S MEMBERSHIP FOR THE  
2 3-FISCAL-YEAR PERIOD ENDING WITH THAT FISCAL YEAR, CALCULATED BY  
3 ADDING THE DISTRICT'S ACTUAL MEMBERSHIP FOR THAT FISCAL YEAR, AS  
4 OTHERWISE CALCULATED UNDER THIS SUBSECTION, PLUS THE DISTRICT'S  
5 MEMBERSHIP AS CALCULATED UNDER THIS SUBDIVISION FOR EACH OF THE 2  
6 IMMEDIATELY PRECEDING FISCAL YEARS, AND DIVIDING THE SUM OF THOSE  
7 3 MEMBERSHIP FIGURES BY 3.

8           (ii) THE DISTRICT'S ACTUAL MEMBERSHIP FOR THE IMMEDIATELY  
9 PRECEDING FISCAL YEAR, AS OTHERWISE CALCULATED UNDER THIS  
10 SUBSECTION.

11           (5) "Public school academy" means a public school academy or  
12 strict discipline academy operating under the revised school  
13 code.

14           (6) "Pupil" means a person in membership in a public  
15 school. A district must have the approval of the pupil's dis-  
16 trict of residence to count the pupil in membership, except  
17 approval by the pupil's district of residence shall not be  
18 required for any of the following:

19           (a) A nonpublic part-time pupil enrolled in grades 1 to 12  
20 in accordance with section 166b.

21           (b) A pupil receiving 1/2 or less of his or her instruction  
22 in a district other than the pupil's district of residence.

23           (c) A pupil enrolled in a public school academy or univer-  
24 sity school.

25           (d) A pupil enrolled in a district other than the pupil's  
26 district of residence under an intermediate district schools of  
27 choice pilot program as described in section 91a or former

1 section 91 if the intermediate district and its constituent  
2 districts have been exempted from section 105.

3 (e) A pupil enrolled in a district other than the pupil's  
4 district of residence but within the same intermediate district  
5 if the educating district enrolls nonresident pupils in accord-  
6 ance with section 105.

7 (f) A pupil enrolled in a district other than the pupil's  
8 district of residence if the pupil has been continuously enrolled  
9 in the educating district since a school year in which the pupil  
10 enrolled in the educating district under section 105 or 105c and  
11 in which the educating district enrolled nonresident pupils in  
12 accordance with section 105 or 105c.

13 (g) A pupil who has made an official written complaint or  
14 whose parent or legal guardian has made an official written com-  
15 plaint to law enforcement officials and to school officials of  
16 the pupil's district of residence that the pupil has been the  
17 victim of a criminal sexual assault or other serious assault, if  
18 the official complaint either indicates that the assault occurred  
19 at school or that the assault was committed by 1 or more other  
20 pupils enrolled in the school the pupil would otherwise attend in  
21 the district of residence or by an employee of the district of  
22 residence. A person who intentionally makes a false report of a  
23 crime to law enforcement officials for the purposes of this sub-  
24 division is subject to section 411a of the Michigan penal code,  
25 1931 PA 328, MCL 750.411a, which provides criminal penalties for  
26 that conduct. As used in this subdivision:

1           (i) "At school" means in a classroom, elsewhere on school  
2 premises, on a school bus or other school-related vehicle, or at  
3 a school-sponsored activity or event whether or not it is held on  
4 school premises.

5           (ii) "Serious assault" means an act that constitutes a  
6 felony violation of chapter XI of the Michigan penal code, 1931  
7 PA 328, MCL 750.81 to 750.90g, or that constitutes an assault and  
8 infliction of serious or aggravated injury under section 81a of  
9 the Michigan penal code, 1931 PA 328, MCL 750.81a.

10          (h) A pupil enrolled in a district located in a contiguous  
11 intermediate district, as described in section 105c, if the edu-  
12 cating district enrolls those nonresident pupils in accordance  
13 with section 105c.

14          (i) A pupil whose district of residence changed after the  
15 pupil membership count day and before the supplemental count day  
16 and who continues to be enrolled on the supplemental count day as  
17 a nonresident in the district in which he or she was enrolled as  
18 a resident on the pupil membership count day of the same school  
19 year.

20          (j) A pupil enrolled in an alternative education program  
21 operated by a district other than his or her district of resi-  
22 dence who meets 1 or more of the following:

23           (i) The pupil has been suspended or expelled from his or her  
24 district of residence for any reason, including, but not limited  
25 to, a suspension or expulsion under section 1310, 1311, or 1311a  
26 of the revised school code, MCL 380.1310, 380.1311, and  
27 380.1311a.

1 (ii) The pupil had previously dropped out of school.

2 (iii) The pupil is pregnant or is a parent.

3 (iv) The pupil has been referred to the program by a court.

4 (k) A pupil enrolled in the Michigan virtual high school,  
5 for the pupil's enrollment in the Michigan virtual high school.

6 However, if a district that is not a first class district  
7 educates pupils who reside in a first class district and if the  
8 primary instructional site for those pupils is located within the  
9 boundaries of the first class district, the educating district  
10 must have the approval of the first class district to count those  
11 pupils in membership. As used in this subsection, "first class  
12 district" means a district organized as a school district of the  
13 first class under the revised school code.

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

16 (a) Except as provided in subdivision (b), the fourth  
17 Wednesday in September each school year.

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

20 (i) Fourth Wednesday in July.

21 (ii) Fourth Wednesday in September.

22 (iii) Second Wednesday in February.

23 (iv) Fourth Wednesday in April.

24 (8) "Pupils in grades K to 12 actually enrolled and in regu-  
25 lar daily attendance" means pupils in grades K to 12 in  
26 attendance and receiving instruction in all classes for which  
27 they are enrolled on the pupil membership count day or the

1 supplemental count day, as applicable. A pupil who is absent  
2 from any of the classes in which the pupil is enrolled on the  
3 pupil membership count day or supplemental count day and who does  
4 not attend each of those classes during the 10 consecutive school  
5 days immediately following the pupil membership count day or sup-  
6 plemental count day, except for a pupil who has been excused by  
7 the district, shall not be counted as 1.0 full-time equated  
8 membership. In addition, a pupil who is excused from attendance  
9 on the pupil membership count day or supplemental count day and  
10 who fails to attend each of the classes in which the pupil is  
11 enrolled within 30 calendar days after the pupil membership count  
12 day or supplemental count day shall not be counted as 1.0  
13 full-time equated membership. Pupils not counted as 1.0  
14 full-time equated membership due to an absence from a class shall  
15 be counted as a prorated membership for the classes the pupil  
16 attended. For purposes of this subsection, "class" means a  
17 period of time in 1 day when pupils and a certificated teacher or  
18 legally qualified substitute teacher are together and instruction  
19 is taking place.

20 (9) "Rule" means a rule promulgated pursuant to the adminis-  
21 trative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
22 24.328.

23 (10) "The revised school code" means 1976 PA 451, MCL 380.1  
24 to 380.1852.

25 (11) "School fiscal year" means a fiscal year that commences  
26 July 1 and continues through June 30.

1 (12) "State board" means the state board of education.

2 (13) "Superintendent", unless the context clearly refers to  
3 a district or intermediate district superintendent, means the  
4 superintendent of public instruction described in section 3 of  
5 article VIII of the state constitution of 1963.

6 (14) "Supplemental count day" means the day on which the  
7 supplemental pupil count is conducted under section 6a.

8 (15) "Tuition pupil" means a pupil of school age attending  
9 school in a district other than the pupil's district of residence  
10 for whom tuition may be charged. Tuition pupil does not include  
11 a pupil who is a special education pupil or a pupil described in  
12 subsection (6)(d) to (k). A pupil's district of residence shall  
13 not require a high school tuition pupil, as provided under sec-  
14 tion 111, to attend another school district after the pupil has  
15 been assigned to a school district.

16 (16) "State school aid fund" means the state school aid fund  
17 established in section 11 of article IX of the state constitution  
18 of 1963.

19 (17) "Taxable value" means the taxable value of property as  
20 determined under section 27a of the general property tax act,  
21 1893 PA 206, MCL 211.27a.

22 (18) "Total state aid" or "total state school aid" means the  
23 total combined amount of all funds due to a district, intermedi-  
24 ate district, or other entity under all of the provisions of this  
25 act.

1           (19) "University school" means an instructional program  
2 operated by a public university under section 23 that meets the  
3 requirements of section 23.

4           SEC. 92. (1) THE DECLINING ENROLLMENT ASSISTANCE PROGRAM IS  
5 CREATED, TO BE ADMINISTERED BY THE DEPARTMENT OF TREASURY AS PRO-  
6 VIDED UNDER THIS SECTION. IN ADDITION TO THE APPROPRIATIONS  
7 UNDER SECTION 11, AN AMOUNT NOT TO EXCEED \$25,000,000.00 IS  
8 APPROPRIATED FROM THE GENERAL FUND FOR 2002-2003 TO FUND GRANTS  
9 FOR THE PROGRAM UNDER THIS SECTION AND TO FUND ANY ADDITIONAL  
10 COSTS FROM MEMBERSHIP ADJUSTMENTS MADE AS A RESULT OF THIS SEC-  
11 TION AND SECTION 6(4)(AA). IT IS THE INTENT OF THE LEGISLATURE  
12 TO CONTINUE TO APPROPRIATE FUNDS FOR THE PURPOSES OF THIS SECTION  
13 FOR SUBSEQUENT FISCAL YEARS.

14           (2) A DISTRICT WITH DECLINING ENROLLMENT MAY APPLY TO THE  
15 DEPARTMENT OF TREASURY, IN THE FORM AND MANNER PRESCRIBED BY THE  
16 DEPARTMENT OF TREASURY, TO BE SELECTED TO PARTICIPATE IN THE  
17 PROGRAM. THE APPLICATION SHALL BE ACCOMPANIED BY A 5-YEAR PLAN  
18 FOR DEALING WITH THE LOSS OF ENROLLMENT. THE 5-YEAR PLAN SHALL  
19 INCLUDE AT LEAST ALL OF THE FOLLOWING:

20           (A) THE DISTRICT'S PREVIOUS EFFORTS AND FUTURE PLANS TO CON-  
21 SOLIDATE SERVICES, INCLUDING EFFORTS TO CONTROL ADMINISTRATIVE  
22 COSTS OR TO REDUCE THE NUMBER OF BUILDINGS BEING OPERATED.

23           (B) PLANS TO ATTRACT NEW PUPILS THROUGH PARTICIPATION IN  
24 SCHOOL CHOICE OR NEW GROWTH IN THE COMMUNITY.

25           (C) OTHER EFFORTS MADE AND PLANNED TO STOP OR SLOW THE  
26 DECLINE IN ENROLLMENT OR TO ADJUST TO THE FISCAL IMPACT OF THE  
27 DECLINE IN ENROLLMENT.

1           (3) THE DEPARTMENT OF TREASURY SHALL DESIGNATE DISTRICTS FOR  
2 PARTICIPATION ON A COMPETITIVE BASIS BASED ON THE 5-YEAR PLAN  
3 DEVELOPED BY THE DISTRICT AND SUBMITTED WITH ITS APPLICATION AND  
4 ON CRITERIA DEVELOPED BY THE DEPARTMENT OF TREASURY. THE CRI-  
5 TERIA SHALL BE DESIGNED TO DETERMINE THE SEVERITY OF THE IMPACT  
6 OF DECLINING ENROLLMENT ON THE DISTRICT'S FINANCES AND WHETHER A  
7 DISTRICT'S DECLINE IN ENROLLMENT IS DUE TO DEMOGRAPHIC FACTORS  
8 BEYOND THE DISTRICT'S CONTROL, SUCH AS THE FOLLOWING FACTORS:

9           (A) THE DISTRICT'S ACTUAL ENROLLMENT FIGURES OVER THE IMME-  
10 DIATELY PRECEDING 3-YEAR PERIOD.

11           (B) THE DEMOGRAPHIC PROFILE OF THE DISTRICT OVER THAT  
12 PERIOD, AS IDENTIFIED IN THE DISTRICT'S APPLICATION AND VERIFIED  
13 BY THE DEPARTMENT OF TREASURY, INCLUDING INFORMATION SUCH AS  
14 BIRTH RATE, AGE OF POPULATION, RATE OF NEW HOME DEVELOPMENT, AND  
15 NEW AND IMPROVED PROPERTY VALUES.

16           (C) WHETHER OR NOT THE DISTRICT ALLOWS ENROLLMENT OF PUPILS  
17 RESIDING IN OTHER DISTRICTS UNDER SECTION 105 OR 105C.

18           (D) WHETHER OR NOT THE DISTRICT HAS AN OPERATING FUND BAL-  
19 ANCE AVAILABLE AND THE SIZE OF THE BALANCE.

20           (4) THE DEPARTMENT OF TREASURY, BASED ON THE DISTRICT'S  
21 5-YEAR PLAN AND CONSULTATIONS WITH THE DISTRICT, MAY IMPLEMENT 1  
22 OR MORE OF THE FOLLOWING TO ASSIST THE DISTRICT:

23           (A) WAIVER OF STATUTORY OR REGULATORY REQUIREMENTS UNDER  
24 THIS ACT OR UNDER THE REVISED SCHOOL CODE, OR BOTH. EXCEPT AS  
25 OTHERWISE PROVIDED IN THIS SUBDIVISION, ANY REQUIREMENT PLACED ON  
26 A DISTRICT UNDER THIS ACT OR THE REVISED SCHOOL CODE, OR UNDER  
27 ANY RULE PROMULGATED UNDER THIS ACT OR THE REVISED SCHOOL CODE,

1 IS SUBJECT TO WAIVER UNDER THIS SUBDIVISION. A WAIVER SHALL NOT  
2 AFFECT REQUIREMENTS FOR THE EQUITABLE PARTICIPATION OF CHILDREN  
3 ENROLLED IN NONPUBLIC SCHOOLS. THE FOLLOWING ARE NOT SUBJECT TO  
4 WAIVER UNDER THIS SUBDIVISION:

5 (i) HEALTH AND SAFETY REQUIREMENTS.

6 (ii) STATUTORY TEACHER CERTIFICATION REQUIREMENTS.

7 (iii) A REQUIREMENT PLACED ON A DISTRICT UNDER PART 6A OF  
8 THE REVISED SCHOOL CODE, MCL 380.501 TO 380.507.

9 (B) GRANTS FOR ANY OF THE FOLLOWING PURPOSES:

10 (i) TO PROVIDE FINANCIAL INCENTIVES FOR CONSOLIDATION OF THE  
11 DISTRICTS WITH 1 OR MORE OTHER DISTRICTS OR TRANSFER OF SOME OR  
12 ALL OF THE DISTRICT'S TERRITORY TO 1 OR MORE OTHER DISTRICTS.

13 (ii) FOR DEVELOPING COOPERATIVE PROGRAMS WITH 1 OR MORE  
14 NEIGHBORING DISTRICTS.

15 (iii) TO PROVIDE FINANCIAL ASSISTANCE FOR MEETING PUPIL  
16 TRANSPORTATION NEEDS IN RURAL AREAS.

17 (C) ONE OF THE FOLLOWING, AS ELECTED BY THE DISTRICT:

18 (i) A PUPIL MEMBERSHIP COUNT BASED ON EITHER THE DISTRICT'S  
19 MEMBERSHIP FOR THE IMMEDIATELY PRECEDING FISCAL YEAR OR ON THE  
20 DISTRICT'S 3-FISCAL-YEAR AVERAGE, AS PROVIDED UNDER SECTION  
21 6(4)(AA).

22 (ii) A WAIVER OF RESTRICTIONS UNDER THIS ACT ON THE USE OF  
23 CATEGORICAL FUNDS RECEIVED UNDER THIS ACT, SO THAT THE DISTRICT  
24 MAY USE SOME OR ALL OF THOSE CATEGORICAL FUNDS FOR GENERAL OPER-  
25 ATING PURPOSES AS THE DISTRICT CHOOSES.

26 (5) THE DEPARTMENT OF TREASURY SHALL ENSURE THAT THE AMOUNT  
27 OF ANY SINGLE GRANT UNDER THIS SECTION FOR A PARTICULAR FISCAL

1 YEAR DOES NOT EXCEED 20% OF THE TOTAL AMOUNT AVAILABLE FOR GRANTS  
2 UNDER THIS SECTION FOR THE FISCAL YEAR.

3 (6) A DISTRICT MAY NOT PARTICIPATE IN THE PROGRAM FOR LONGER  
4 THAN THE 5 YEARS IDENTIFIED IN THE DISTRICT'S 5-YEAR PLAN. A  
5 GRANT AWARDED UNDER THIS SECTION FOR A FISCAL YEAR SHALL BE CON-  
6 sidered to be for 1 year of that 5-year period, but the grant  
7 proceeds may be carried over and expended in a subsequent fiscal  
8 year.