

SENATE BILL No. 1107

February 13, 2002, Introduced by Senators Stille and Bennett and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 11, 19, 20, 22a, 22b, 24, 26a, 31a, 31d, 32d,
37, 38, 39, 41, 51a, 51c, 56, 57, 61a, 62, 67, 68, 74, 81, 94,
94a, 96, 98, 99, 105, 107, 108, 147, and 169a (MCL 388.1611,
388.1619, 388.1620, 388.1622a, 388.1622b, 388.1624, 388.1626a,
388.1631a, 388.1631d, 388.1632d, 388.1637, 388.1638, 388.1639,
388.1641, 388.1651a, 388.1651c, 388.1656, 388.1657, 388.1661a,
388.1662, 388.1667, 388.1668, 388.1674, 388.1681, 388.1694,
388.1694a, 388.1696, 388.1698, 388.1699, 388.1705, 388.1707,
388.1708, 388.1747, and 388.1769a), sections 11, 20, 22a, 22b,

24, 26a, 31a, 31d, 32d, 41, 51a, 51c, 56, 57, 61a, 62, 67, 68, 74, 81, 94, 94a, 98, 99, 107, and 147 as amended by 2001 PA 121, and sections 19, 37, 38, 39, 96, 105, and 108 as amended by 2000 PA 297, and section 169a as amended by 1997 PA 93, and by adding sections 11j, 39a, 51d, 99a, and 121a; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) ~~For the fiscal year ending September 30, 2001,~~
2 ~~there is appropriated for the public schools of this state and~~
3 ~~certain other state purposes relating to education the sum of~~
4 ~~\$10,306,721,500.00 from the state school aid fund established by~~
5 ~~section 11 of article IX of the state constitution of 1963 and the~~
6 ~~sum of \$385,613,500.00 from the general fund.~~ For the fiscal year
7 ending September 30, 2002, there is appropriated for the public
8 schools of this state and certain other state purposes relating to
9 education the sum of ~~\$10,989,699,900.00~~ \$10,986,348,200.00 from
10 the state school aid fund established by section 11 of article IX
11 of the state constitution of 1963 and the sum of ~~\$205,613,500.00~~
12 \$198,413,500.00 from the general fund. For the fiscal year ending
13 September 30, 2003, there is appropriated for the public schools
14 of this state and certain other state purposes relating to
15 education the sum of ~~\$10,985,960,300.00~~ \$11,215,914,100.00 from
16 the state school aid fund established by section 11 of article IX
17 of the state constitution of 1963; and the sum of ~~\$420,613,500.00~~
18 \$198,413,500.00 from the general fund, HOWEVER, THIS SHALL BE
19 REDUCED BY \$79,500,000.00 IF LEGISLATION AUTHORIZING THE TRANSFER
20 OF \$79,500,000.00 FROM THE MICHIGAN EMPLOYMENT SECURITY ACT
21 CONTINGENT FUND, PENALTIES AND INTEREST SUBACCOUNT IS NOT PASSED
22 AND IN EFFECT ON OR BEFORE OCTOBER 1, 2002. IN ADDITION, FOR THE

1 FISCAL YEAR ENDING SEPTEMBER 30, 2002, THERE IS APPROPRIATED
2 \$700,000.00 FROM DISTRICT AND INTERMEDIATE DISTRICT PAYMENTS TO
3 THE SCHOOL LOAN BOND REDEMPTION FUND. In addition, available
4 federal funds are appropriated for each of those fiscal years.

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

16 (3) If the maximum amount appropriated under this section and
17 section 11f from the state school aid fund for a fiscal year
18 exceeds the amount available for expenditure from the state school
19 aid fund for that fiscal year, payments under sections 11f, 11g,
20 22a, 31d, 51a(2), and 51c shall be made in full. ~~and payments~~ IN
21 ADDITION, FOR DISTRICTS BEGINNING OPERATIONS AFTER 1994-95,
22 PAYMENTS UNDER SECTION 22B SHALL BE MADE SO THAT THE QUALIFYING
23 DISTRICTS RECEIVE AN AMOUNT EQUAL TO THE 1994-95 FOUNDATION
24 ALLOWANCE OF THE DISTRICT IN WHICH THE DISTRICT BEGINNING
25 OPERATIONS AFTER 1994-95 IS LOCATED. THE AMOUNT OF THE PAYMENT TO
26 BE MADE UNDER SECTION 22B FOR QUALIFYING DISTRICTS SHALL BE AS
27 CALCULATED UNDER SECTION 22A, WITH THE BALANCE OF THE PAYMENT
28 UNDER SECTION 22B BEING SUBJECT TO THE PRORATION OTHERWISE
29 INDICATED IN THIS SUBSECTION. STATE PAYMENTS under each of the

1 other sections of this act FOR ALL STATE FUNDING SOURCES shall be
2 prorated on an equal percentage basis as necessary to reflect the
3 amount available for expenditure from the state school aid fund
4 for that fiscal year. However, if the department of treasury
5 determines that proration will be required under this subsection,
6 the department of treasury shall notify the state budget director,
7 and the state budget director shall notify the legislature at
8 least 30 calendar days or 6 legislative session days, whichever is
9 more, before the department reduces any payments under this act
10 because of the proration. During the 30 calendar day or 6
11 legislative session day period after that notification by the
12 state budget director, the department shall not reduce any
13 payments under this act because of proration under this
14 subsection. The legislature may prevent proration from occurring
15 by, within the 30 calendar day or 6 legislative session day period
16 after that notification by the state budget director, enacting
17 legislation appropriating additional funds from the general fund,
18 countercyclical budget and economic stabilization fund, state
19 school aid fund balance, or another source to fund the amount of
20 the projected shortfall.

21 (4) Except for the allocation under section 26a, any general
22 fund allocations under this act that are not expended by the end
23 of the state fiscal year are transferred to the state school aid
24 fund.

25 SEC. 11J. FROM THE GENERAL FUND APPROPRIATION IN SECTION 11,
26 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$4,674,000.00 FOR 2002-
27 2003, AND FROM DISTRICT AND INTERMEDIATE DISTRICT PAYMENTS TO THE
28 SCHOOL LOAN BOND REDEMPTION FUND APPROPRIATED IN SECTION 11, THERE
29 IS ALLOCATED AN AMOUNT NOT TO EXCEED \$700,000.00 FOR 2002-2003 FOR

1 PAYMENTS TO THE SCHOOL LOAN BOND REDEMPTION FUND IN THE DEPARTMENT
2 OF TREASURY.

3 Sec. 19. (1) A district shall comply with the requirements of
4 sections 1204a, 1277, 1278, and 1280 of the revised school code,
5 MCL 380.1204a, 380.1277, 380.1278, and 380.1280, commonly referred
6 to as "public act 25 of 1990".

7 (2) Each district and intermediate district shall provide to
8 the department, in a form and manner prescribed by the department,
9 information necessary for the development of an annual progress
10 report on the implementation of sections 1204a, 1277, 1278, and
11 1280 of the revised school code, MCL 380.1204a, 380.1277,
12 380.1278, and 380.1280, commonly referred to as "public act 25 of
13 1990", ~~and~~. EACH DISTRICT AND INTERMEDIATE DISTRICT SHALL PROVIDE
14 TO THE DEPARTMENT OF INFORMATION TECHNOLOGY, IN A FORM AND MANNER
15 PRESCRIBED BY THE DEPARTMENT OF INFORMATION TECHNOLOGY, on the
16 achievement of national education goals, and information necessary
17 for the development of other performance reports.

18 (3) If a district or intermediate district fails to meet the
19 requirements of subsection (2) and sections 1204a, 1277, and 1278
20 of the revised school code, MCL 380.1204a, 380.1277, 380.1278, and
21 380.1280, the department shall withhold 5% of the total funds for
22 which the district or intermediate district qualifies under this
23 act until the district or intermediate district complies with all
24 of those sections. If the district or intermediate district does
25 not comply with all of those sections by the end of the fiscal
26 year, the department shall place the amount withheld in an escrow
27 account until the district or intermediate district complies with
28 all of those sections.

29 (4) If a school in a district is not accredited under section

1 1280 of the revised school code, MCL 380.1280, or is not making
2 satisfactory progress toward meeting the standards for that
3 accreditation, the department shall withhold 5% of the total funds
4 for which the district qualifies under this act that are
5 attributable to pupils attending that school. The department
6 shall place the amount withheld from a district under this
7 subsection in an escrow account and shall not release the funds to
8 the district until the district submits to the department a plan
9 for achieving accreditation for each of the district's schools
10 that are not accredited under section 1280 of the revised school
11 code, MCL 380.1280, or are not making satisfactory progress toward
12 meeting the standards for that accreditation.

13 Sec. 20. (1) ~~For 2000-2001, the basic foundation allowance is~~
14 ~~\$6,000.00 per membership pupil.~~ For 2001-2002, the basic
15 foundation allowance is \$6,300.00 per membership pupil. For 2002-
16 2003, the basic foundation allowance is \$6,700.00 per membership
17 pupil.

18 (2) The amount of each district's foundation allowance shall
19 be calculated as provided in this section, using a basic
20 foundation allowance in the amount specified in subsection (1).

21 (3) Except as otherwise provided in this section, the amount
22 of a district's foundation allowance shall be calculated as
23 follows, using in all calculations the total amount of the
24 district's foundation allowance as calculated before any
25 proration:

26 (a) Except as otherwise provided in this subsection, for a
27 district that in the immediately preceding state fiscal year had a
28 foundation allowance in an amount at least equal to the amount of
29 the basic foundation allowance for the immediately preceding state

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

7 (b) For a district that in the 1994-95 state fiscal year had a
8 foundation allowance greater than \$6,500.00, the district's
9 foundation allowance is an amount equal to the sum of the
10 district's foundation allowance for the immediately preceding
11 state fiscal year plus the lesser of the increase in the basic
12 foundation allowance for the current state fiscal year, as
13 compared to the immediately preceding state fiscal year, or the
14 product of the district's foundation allowance for the immediately
15 preceding state fiscal year times the percentage increase in the
16 United States consumer price index in the calendar year ending in
17 the immediately preceding fiscal year as reported by the May
18 revenue estimating conference conducted under section 367b of the
19 management and budget act, 1984 PA 431, MCL 18.1367b.

20 (c) For a district that has a foundation allowance that is not
21 a whole dollar amount, the district's foundation allowance shall
22 be rounded up to the nearest whole dollar.

23 (d) Beginning in 2002-2003, for a district that receives a
24 payment under section 22c for 2001-2002, the district's 2001-2002
25 foundation allowance shall be considered to have been an amount
26 equal to the sum of the district's actual 2001-2002 foundation
27 allowance as otherwise calculated under this section plus the per
28 pupil amount of the district's equity payment for 2001-2002 under
29 section 22c.

1 (4) Except as otherwise provided in this subsection, the state
2 portion of a district's foundation allowance is an amount equal to
3 the district's foundation allowance or \$6,500.00, whichever is
4 less, minus the difference between the product of the taxable
5 value per membership pupil of all property in the district that is
6 not a homestead or qualified agricultural property times the
7 lesser of 18 mills or the number of mills of school operating
8 taxes levied by the district in 1993-94 and the quotient of the ad
9 valorem property tax revenue of the district captured under 1975
10 PA 197, MCL 125.1651 to 125.1681, the tax increment finance
11 authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local
12 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174,
13 or the brownfield redevelopment financing act, 1996 PA 381, MCL
14 125.2651 to 125.2672, divided by the district's membership
15 excluding special education pupils. For a district described in
16 subsection (3)(b), the state portion of the district's foundation
17 allowance is an amount equal to \$6,962.00 plus the difference
18 between the district's foundation allowance for the current state
19 fiscal year and the district's foundation allowance for 1998-99,
20 minus the difference between the product of the taxable value per
21 membership pupil of all property in the district that is not a
22 homestead or qualified agricultural property times the lesser of
23 18 mills or the number of mills of school operating taxes levied
24 by the district in 1993-94 and the quotient of the ad valorem
25 property tax revenue of the district captured under 1975 PA 197,
26 MCL 125.1651 to 125.1681, the tax increment finance authority act,
27 1980 PA 450, MCL 125.1801 to 125.1830, the local development
28 financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the
29 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651

1 to 125.2672, divided by the district's membership excluding
2 special education pupils. For a district that has a millage
3 reduction required under section 31 of article IX of the state
4 constitution of 1963, the state portion of the district's
5 foundation allowance shall be calculated as if that reduction did
6 not occur. The \$6,500.00 amount prescribed in this subsection
7 shall be adjusted each year by an amount equal to the dollar
8 amount of the difference between the basic foundation allowance
9 for the current state fiscal year and \$5,000.00. However,
10 beginning in 2002-2003, the \$6,500.00 amount prescribed in this
11 subsection shall be adjusted each year by an amount equal to the
12 dollar amount of the difference between the basic foundation
13 allowance for the current state fiscal year and \$5,000.00, minus
14 \$200.00.

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

1 allocation under section 20j(2).

2 (6) Subject to subsection (7) and section 22b(4) and except as
3 otherwise provided in this subsection, for pupils in membership,
4 other than special education pupils, in a public school academy or
5 a university school, the allocation calculated under this section
6 is an amount per membership pupil other than special education
7 pupils in the public school academy or university school equal to
8 the sum of the local school operating revenue per membership pupil
9 other than special education pupils for the district in which the
10 public school academy or university school is located and the
11 state portion of that district's foundation allowance, or the sum
12 of the basic foundation allowance under subsection (1) plus
13 \$500.00, whichever is less. However, beginning in 2002-2003, this
14 \$500.00 amount shall instead be \$300.00. Notwithstanding section
15 101(2), for a public school academy that begins operations in
16 ~~2000-2001~~, 2001-2002, or 2002-2003, as applicable, after the pupil
17 membership count day, the amount per membership pupil calculated
18 under this subsection shall be adjusted by multiplying that amount
19 per membership pupil by the number of hours of pupil instruction
20 provided by the public school academy after it begins operations,
21 as determined by the department, divided by the minimum number of
22 hours of pupil instruction required under section ~~1284 of the~~
23 ~~revised school code, MCL 380.1284~~ 101(3). The result of this
24 calculation shall not exceed the amount per membership pupil
25 otherwise calculated under this subsection.

26 (7) If more than 25% of the pupils residing within a district
27 are in membership in 1 or more public school academies located in
28 the district, then the amount per membership pupil calculated
29 under this section for a public school academy located in the

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

24 (8) If a district does not receive an amount calculated under
25 subsection (9); if the number of mills the district may levy on a
26 homestead and qualified agricultural property under section
27 1211(1) of the revised school code, MCL 380.1211, is 0.5 mills or
28 less; and if the district elects not to levy those mills, the
29 district instead shall receive a separate supplemental amount

1 calculated under this subsection in an amount equal to the amount
2 the district would have received had it levied those mills, as
3 determined by the department of treasury. A district shall not
4 receive a separate supplemental amount calculated under this
5 subsection for a fiscal year unless in the calendar year ending in
6 the fiscal year the district levies 18 mills or the number of
7 mills of school operating taxes levied by the district in 1993,
8 whichever is less, on property that is not a homestead or
9 qualified agricultural property.

10 (9) For a district that had combined state and local revenue
11 per membership pupil in the 1993-94 state fiscal year of more than
12 \$6,500.00 and that had fewer than 350 pupils in membership, if the
13 district elects not to reduce the number of mills from which a
14 homestead and qualified agricultural property are exempt and not
15 to levy school operating taxes on a homestead and qualified
16 agricultural property as provided in section 1211(1) of the
17 revised school code, MCL 380.1211, and not to levy school
18 operating taxes on all property as provided in section 1211(2) of
19 the revised school code, MCL 380.1211, there is calculated under
20 this subsection for 1994-95 and each succeeding fiscal year a
21 separate supplemental amount in an amount equal to the amount the
22 district would have received per membership pupil had it levied
23 school operating taxes on a homestead and qualified agricultural
24 property at the rate authorized for the district under section
25 1211(1) of the revised school code, MCL 380.1211, and levied
26 school operating taxes on all property at the rate authorized for
27 the district under section 1211(2) of the revised school code, MCL
28 380.1211, as determined by the department of treasury. If in the
29 calendar year ending in the fiscal year a district does not levy

1 18 mills or the number of mills of school operating taxes levied
2 by the district in 1993, whichever is less, on property that is
3 not a homestead or qualified agricultural property, the amount
4 calculated under this subsection will be reduced by the same
5 percentage as the millage actually levied compares to the 18 mills
6 or the number of mills levied in 1993, whichever is less.

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

20 (11) Each fraction used in making calculations under this
21 section shall be rounded to the fourth decimal place and the
22 dollar amount of an increase in the basic foundation allowance
23 shall be rounded to the nearest whole dollar.

24 (12) State payments related to payment of the foundation
25 allowance for a special education pupil are not calculated under
26 this section but are instead calculated under section 51a.

27 (13) To assist the legislature in determining the basic
28 foundation allowance for the subsequent state fiscal year, each
29 revenue estimating conference conducted under section 367b of the

1 management and budget act, 1984 PA 431, MCL 18.1367b, shall
2 calculate a pupil membership factor, a revenue adjustment factor,
3 and an index as follows:

4 (a) The pupil membership factor shall be computed by dividing
5 the estimated membership in the school year ending in the current
6 state fiscal year, excluding intermediate district membership, by
7 the estimated membership for the school year ending in the
8 subsequent state fiscal year, excluding intermediate district
9 membership. If a consensus membership factor is not determined at
10 the revenue estimating conference, the principals of the revenue
11 estimating conference shall report their estimates to the house
12 and senate subcommittees responsible for school aid appropriations
13 not later than 7 days after the conclusion of the revenue
14 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 and excluding money
21 transferred into that fund from the countercyclical budget and
22 economic stabilization fund under section 353e of the management
23 and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the
24 estimated total school aid fund revenue for the current state
25 fiscal year plus the estimated total state school aid fund revenue
26 for the immediately preceding state fiscal year, adjusted for any
27 change in the rate or base of a tax the proceeds of which are
28 deposited in that fund. If a consensus revenue factor is not
29 determined at the revenue estimating conference, the principals of

1 the revenue estimating conference shall report their estimates to
2 the house and senate subcommittees responsible for school aid
3 appropriations not later than 7 days after the conclusion of the
4 revenue conference.

5 (c) The index shall be calculated by multiplying the pupil
6 membership factor by the revenue adjustment factor. If a consensus
7 index is not determined at the revenue estimating conference, the
8 principals of the revenue estimating conference shall report their
9 estimates to the house and senate subcommittees responsible for
10 school aid appropriations not later than 7 days after the
11 conclusion of the revenue conference.

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

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

28 (15) ~~(16)~~ For a district that had combined state and local
29 revenue per membership pupil in the 1993-94 state fiscal year of

1 more than \$6,500.00, that had fewer than 7 pupils in membership in
2 the 1993-94 state fiscal year, that has at least 1 child educated
3 in the district in the current state fiscal year, and that levies
4 the number of mills of school operating taxes authorized for the
5 district under section 1211 of the revised school code, MCL
6 380.1211, a minimum amount of combined state and local revenue
7 shall be calculated for the district as provided under this
8 subsection. The minimum amount of combined state and local
9 revenue for 1999-2000 shall be \$67,000.00 plus the district's
10 additional expenses to educate pupils in grades 9 to 12 educated
11 in other districts as determined and allowed by the department.
12 The minimum amount of combined state and local revenue under this
13 subsection, before adding the additional expenses, shall increase
14 each fiscal year by the same percentage increase as the percentage
15 increase in the basic foundation allowance from the immediately
16 preceding fiscal year to the current fiscal year. The state
17 portion of the minimum amount of combined state and local revenue
18 under this subsection shall be calculated by subtracting from the
19 minimum amount of combined state and local revenue under this
20 subsection the sum of the district's local school operating
21 revenue and an amount equal to the product of the sum of the state
22 portion of the district's foundation allowance plus the amount
23 calculated under section 20j times the district's membership. As
24 used in this subsection, "additional expenses" means the
25 district's expenses for tuition or fees, not to exceed \$6,500.00
26 as adjusted each year by an amount equal to the dollar amount of
27 the difference between the basic foundation allowance for the
28 current state fiscal year and \$5,000.00, plus a room and board
29 stipend not to exceed \$10.00 per school day for each pupil in

1 grades 9 to 12 educated in another district, as approved by the
2 department. However, beginning in 2002-2003, the \$6,500.00 amount
3 prescribed in this subsection shall be adjusted each year by an
4 amount equal to the dollar amount of the difference between the
5 basic foundation allowance for the current state fiscal year and
6 \$5,000.00, minus \$200.00.

7 (16) ~~(17)~~ For a district in which 7.75 mills levied in 1992
8 for school operating purposes in the 1992-93 school year were not
9 renewed in 1993 for school operating purposes in the 1993-94
10 school year, the district's combined state and local revenue per
11 membership pupil shall be recalculated as if that millage
12 reduction did not occur and the district's foundation allowance
13 shall be calculated as if its 1994-95 foundation allowance had
14 been calculated using that recalculated 1993-94 combined state and
15 local revenue per membership pupil as a base. A district is not
16 entitled to any retroactive payments for fiscal years before 2000-
17 2001 due to this subsection.

18 (17) FOR A DISTRICT IN WHICH AN INDUSTRIAL FACILITIES
19 EXEMPTION CERTIFICATE THAT ABATED TAXES ON PROPERTY WITH A STATE
20 EQUALIZED VALUATION GREATER THAN THE TOTAL STATE EQUALIZED
21 VALUATION OF THE DISTRICT AT THE TIME THE CERTIFICATE WAS ISSUED
22 OR \$700,000,000.00, WHICHEVER IS GREATER, WAS ISSUED UNDER 1974 PA
23 198, MCL 207.551 TO 207.572, BEFORE THE CALCULATION OF THE
24 DISTRICT'S 1994-1995 FOUNDATION ALLOWANCE, THE DISTRICT'S
25 FOUNDATION ALLOWANCE FOR 2002-2003 IS AN AMOUNT EQUAL TO THE SUM
26 OF THE DISTRICT'S FOUNDATION ALLOWANCE FOR 2002-2003, AS OTHERWISE
27 CALCULATED UNDER THIS SECTION, PLUS \$250.00.

28 (18) Payments to districts, university schools, or public
29 school academies shall not be made under this section. Rather,

1 the calculations under this section shall be used to determine the
2 amount of state payments under section 22b. . .

3 (19) If an amendment to section 2 of article VIII of the state
4 constitution of 1963 allowing state aid to some or all nonpublic
5 schools is approved by the voters of this state, each foundation
6 allowance or per pupil payment calculation under this section may
7 be reduced.

8 (20) As used in this section:

9 (a) "Combined state and local revenue" means the aggregate of
10 the district's state school aid received by or paid on behalf of
11 the district under this section and the district's local school
12 operating revenue.

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

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

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

20 (e) "Immediately preceding state fiscal year" means the state
21 fiscal year immediately preceding the current state fiscal year.

22 (f) "Local school operating revenue" means school operating
23 taxes levied under section 1211 of the revised school code, MCL
24 380.1211.

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

28 (h) "Membership" means the definition of that term under
29 section 6 as in effect for the particular fiscal year for which a

1 particular calculation is made.

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

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

7 (k) "School operating taxes" means local ad valorem property
8 taxes levied under section 1211 of the revised school code, MCL
9 380.1211, and retained for school operating purposes.

10 (l) "Taxable value per membership pupil" means taxable value,
11 as certified by the department of treasury, for the calendar year
12 ending in the current state fiscal year divided by the district's
13 membership excluding special education pupils for the school year
14 ending in the current state fiscal year.

15 Sec. 22a. (1) From the appropriation in section 11, there is
16 allocated ~~an amount not to exceed \$7,151,000,000.00 for 2000-2001,~~
17 an amount not to exceed ~~\$7,042,100,000.00~~ \$7,018,000,000.00 for
18 2001-2002, and an amount not to exceed ~~\$6,956,000,000.00~~
19 \$6,966,000,000.00 for 2002-2003 for payments to districts,
20 qualifying university schools, and qualifying public school
21 academies to guarantee each district, qualifying university
22 school, and qualifying public school academy an amount equal to
23 its 1994-95 total state and local per pupil revenue for school
24 operating purposes under section 11 of article IX of the state
25 constitution of 1963. Pursuant to section 11 of article IX of the
26 state constitution of 1963, this guarantee does not apply to a
27 district in a year in which the district levies a millage rate for
28 school district operating purposes less than it levied in 1994.

1 However, subsection (2) applies to calculating the payments under
2 this section. Funds allocated under this section that are not
3 expended in the state fiscal year for which they were allocated,
4 as determined by the department, may be used to supplement the
5 allocations under sections 22b and 51c in order to fully fund
6 those calculated allocations for the same fiscal year.

7 (2) To ensure that a district receives an amount equal to the
8 district's 1994-95 total state and local per pupil revenue for
9 school operating purposes, there is allocated to each district a
10 state portion of the district's 1994-95 foundation allowance in an
11 amount calculated as follows:

12 (a) Except as otherwise provided in this subsection, the state
13 portion of a district's 1994-95 foundation allowance is an amount
14 equal to the district's 1994-95 foundation allowance or \$6,500.00,
15 whichever is less, minus the difference between the product of the
16 taxable value per membership pupil of all property in the district
17 that is not a homestead or qualified agricultural property times
18 the lesser of 18 mills or the number of mills of school operating
19 taxes levied by the district in 1993-94 and the quotient of the ad
20 valorem property tax revenue of the district captured under 1975
21 PA 197, MCL 125.1651 to 125.1681, the tax increment finance
22 authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local
23 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174,
24 or the brownfield redevelopment financing act, 1996 PA 381, MCL
25 125.2651 to 125.2672, divided by the district's membership. For a
26 district that has a millage reduction required under section 31 of
27 article IX of the state constitution of 1963, the state portion of
28 the district's foundation allowance shall be calculated as if that
29 reduction did not occur.

1 (b) For a district that had a 1994-95 foundation allowance
2 greater than \$6,500.00, the state payment under this subsection
3 shall be the sum of the amount calculated under subdivision (a)
4 plus the amount calculated under this subdivision. The amount
5 calculated under this subdivision shall be equal to the difference
6 between the district's 1994-95 foundation allowance minus
7 \$6,500.00 and the current year hold harmless school operating
8 taxes per pupil. If the result of the calculation under
9 subdivision (a) is negative, the negative amount shall be an
10 offset against any state payment calculated under this
11 subdivision. If the result of a calculation under this
12 subdivision is negative, there shall not be a state payment or a
13 deduction under this subdivision. The taxable values per
14 membership pupil used in the calculations under this subdivision
15 are as adjusted by ad valorem property tax revenue captured under
16 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance
17 authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local
18 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174,
19 or the brownfield redevelopment financing act, 1996 PA 381, MCL
20 125.2651 to 125.2672, divided by the district's membership.

21 (3) For pupils in membership in a qualifying public school
22 academy or qualifying university school, there is allocated under
23 this section each fiscal year ~~for 2000-2001~~, for 2001-2002, and
24 for 2002-2003 to the authorizing body that is the fiscal agent for
25 the qualifying public school academy for forwarding to the
26 qualifying public school academy, or to the board of the public
27 university operating the qualifying university school, an amount
28 equal to the 1994-95 per pupil payment to the qualifying public
29 school academy or qualifying university school under section 20.

1 (4) A district, qualifying university school, or qualifying
2 public school academy may use funds allocated under this section
3 in conjunction with any federal funds for which the district,
4 qualifying university school, or qualifying public school academy
5 otherwise would be eligible.

6 (5) For a district that is formed or reconfigured after June
7 1, 2000 by consolidation of 2 or more districts or by annexation,
8 the resulting district's 1994-95 foundation allowance under this
9 section beginning after the effective date of the consolidation or
10 annexation shall be the average of the 1994-95 foundation
11 allowances of each of the original or affected districts,
12 calculated as provided in this section, weighted as to the
13 percentage of pupils in total membership in the resulting district
14 in the state fiscal year in which the consolidation takes place
15 who reside in the geographic area of each of the original
16 districts. If an affected district's 1994-95 foundation allowance
17 is less than the 1994-95 basic foundation allowance, the amount of
18 that district's 1994-95 foundation allowance shall be considered
19 for the purpose of calculations under this subsection to be equal
20 to the amount of the 1994-95 basic foundation allowance.

21 (6) As used in this section:

22 (a) "1994-95 foundation allowance" means a district's 1994-95
23 foundation allowance calculated and certified by the department of
24 treasury or the superintendent under former section 20a as enacted
25 in 1993 PA 336 and as amended by 1994 PA 283.

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

28 (c) "Current year hold harmless school operating taxes per
29 pupil" means the per pupil revenue generated by multiplying a

1 district's 1994-95 hold harmless millage by the district's current
2 year taxable value per membership pupil.

3 (d) "Hold harmless millage" means, for a district with a 1994-
4 95 foundation allowance greater than \$6,500.00, the number of
5 mills by which the exemption from the levy of school operating
6 taxes on a homestead and qualified agricultural property could be
7 reduced as provided in section 1211(1) of the revised school code,
8 MCL 380.1211, and the number of mills of school operating taxes
9 that could be levied on all property as provided in section
10 1211(2) of the revised school code, MCL 380.1211, as certified by
11 the department of treasury for the 1994 tax year.

12 (e) "Homestead" means that term as defined in section 1211 of
13 the revised school code, MCL 380.1211.

14 (f) "Membership" means the definition of that term under
15 section 6 as in effect for the particular fiscal year for which a
16 particular calculation is made.

17 (g) "Qualified agricultural property" means that term as
18 defined in section 1211 of the revised school code, MCL 380.1211.

19 (h) "Qualifying public school academy" means a public school
20 academy that was in operation in the 1994-95 school year and is in
21 operation in the current state fiscal year.

22 (i) "Qualifying university school" means a university school
23 that was in operation in the 1994-95 school year and is in
24 operation in the current fiscal year.

25 (j) "School operating taxes" means local ad valorem property
26 taxes levied under section 1211 of the revised school code, MCL
27 380.1211, and retained for school operating purposes.

28 (k) "Taxable value per membership pupil" means each of the
29 following divided by the district's membership:

1 (i) For the number of mills by which the exemption from the
2 levy of school operating taxes on a homestead and qualified
3 agricultural property may be reduced as provided in section
4 1211(1) of the revised school code, MCL 380.1211, the taxable
5 value of homestead and qualified agricultural property for the
6 calendar year ending in the current state fiscal year.

7 (ii) For the number of mills of school operating taxes that
8 may be levied on all property as provided in section 1211(2) of
9 the revised school code, MCL 380.1211, the taxable value of all
10 property for the calendar year ending in the current state fiscal
11 year.

12 Sec. 22b. (1) From the appropriation in section 11, there is
13 allocated ~~an amount not to exceed \$1,864,000,000.00 for 2000-2001,~~
14 ~~an amount not to exceed \$2,377,200,000.00~~ \$2,368,000,000.00 for
15 2001-2002, AND AN AMOUNT NOT TO EXCEED \$2,838,000,000.00 FOR 2002-
16 2003 for discretionary payments to districts under this section.
17 Funds allocated under this section that are not expended in the
18 state fiscal year for which they were allocated, as determined by
19 the department, may be used to supplement the allocations under
20 sections 22a and 51c in order to fully fund those calculated
21 allocations for the same fiscal year.

22 (2) Subject to subsection (3) and section 11, beginning in
23 2000-2001, the allocation to a district under this section shall
24 be an amount equal to the sum of the amounts calculated under
25 sections 20, 20j, 51a(2), 51a(3), and 51a(12), minus the sum of
26 the allocations to the district under sections 22a and 51c.

27 (3) In order to receive an allocation under this section, each
28 district shall administer in each grade level that it operates in
29 grades 1 to 5 a standardized assessment approved by the department

1 of grade-appropriate basic educational skills. A district may use
2 the Michigan literacy progress profile to satisfy this requirement
3 for grades 1 to 3.

4 (4) From the allocation in subsection (1), the department may
5 expend funds to pay for necessary costs associated with resolving
6 matters pending in federal court impacting payments to districts,
7 including, but not limited to, expert witness fees.

8 Sec. 24. (1) Subject to subsection (2), from the appropriation
9 in section 11, there is allocated ~~for 2000-2001,~~ for 2001-2002,
10 AND FOR 2002-2003 to the educating district or intermediate
11 district an amount equal to 100% of the added cost each fiscal
12 year for educating all pupils assigned by a court or the family
13 independence agency to reside in or to attend a juvenile detention
14 facility or child caring institution licensed by the family
15 independence agency or the department of consumer and industry
16 services and approved by the department to provide an on-grounds
17 education program. The total amount to be paid under this section
18 for added cost shall not exceed ~~\$7,900,000.00 for 2000-2001,~~
19 \$8,400,000.00 for 2001-2002 AND \$8,900,000.00 FOR 2002-2003. For
20 the purposes of this section, "added cost" shall be computed by
21 deducting all other revenue received under this act for pupils
22 described in this section from total costs, as approved by the
23 department, for educating those pupils in the on-grounds education
24 program or in a program approved by the department that is located
25 on property adjacent to a juvenile detention facility or child
26 caring institution. Costs reimbursed by federal funds are not
27 included.

28 (2) A district or intermediate district educating pupils
29 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 181 days, but not longer than 233
4 days, if the child caring institution was licensed as a child
5 caring institution and offered in 1991-92 an on-grounds
6 educational program that was longer than 181 days but not longer
7 than 233 days and that was operated by a district or intermediate
8 district.

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

11 Sec. 26a. From the general fund appropriation in section 11,
12 there is allocated ~~each fiscal year for 2000-2001, 2001-2002,~~ an
13 amount not to exceed ~~\$7,000,000.00~~ \$8,800,000.00 FOR 2001-2002 AND
14 AN AMOUNT NOT TO EXCEED \$10,174,000.00 FOR 2002-2003 to reimburse
15 districts, intermediate districts, and the state school aid fund
16 pursuant to section 12 of the Michigan renaissance zone act, 1996
17 PA 376, MCL 125.2692, for taxes levied in 2000, 2001, and 2002,
18 respectively. This reimbursement shall be made by adjusting
19 payments under section 22a to eligible districts, adjusting
20 payments under section 56, 62, or 81 to eligible intermediate
21 districts, and adjusting the state school aid fund. The
22 adjustments shall be made not later than 60 days after the
23 department of treasury certifies to the department and to the
24 state budget director that the department of treasury has received
25 all necessary information to properly determine the amounts due to
26 each eligible recipient.

27 Sec. 31a. (1) From the state school aid fund money
28 appropriated in section 11, there is allocated EACH FISCAL YEAR
29 ~~for 2000-2001 an amount not to exceed \$304,000,000.00,~~ for 2001-

1 2002 AND FOR 2002-2003 an amount not to exceed \$314,200,000.00~~7~~
2 for payments to eligible districts and eligible public school
3 academies under this section. Subject to subsection ~~(10)~~ (11),
4 the amount of the additional allowance under this section shall be
5 based on the number of actual pupils in membership in the district
6 or public school academy who met the income eligibility criteria
7 for free breakfast, lunch, or milk in the immediately preceding
8 state fiscal year, as determined under the Richard B. Russell
9 national school lunch act, chapter 281, 60 Stat. 230, 42 U.S.C.
10 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766a, 1769, 1769b to
11 1769c, and 1769f to 1769h, and reported to the department by
12 October 31 of the immediately preceding fiscal year and adjusted
13 not later than December 31 of the immediately preceding fiscal
14 year. However, for a public school academy that began operations
15 as a public school academy after the pupil membership count day of
16 the immediately preceding school year, the basis for the
17 additional allowance under this section shall be the number of
18 actual pupils in membership in the public school academy who met
19 the income eligibility criteria for free breakfast, lunch, or milk
20 in the current state fiscal year, as determined under the Richard
21 B. Russell national school lunch act.

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

27 (a) The sum of the district's or public school academy's
28 combined state and local revenue per membership pupil in the
29 current state fiscal year, as calculated under section 20, plus

1 the amount of the district's per pupil allocation under section
2 20j(2), is less than or equal to \$6,500.00 adjusted by the dollar
3 amount of the difference between the basic foundation allowance
4 under section 20 for the current state fiscal year and \$5,000.00.
5 However, beginning in 2002-2003, the \$6,500.00 amount prescribed
6 in this subdivision shall be adjusted each year by an amount equal
7 to the dollar amount of the difference between the basic
8 foundation allowance for the current state fiscal year and
9 \$5,000.00, minus \$200.00.

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

14 (3) Except as otherwise provided in this subsection, an
15 eligible district or eligible public school academy shall receive
16 under this section for each membership pupil in the district or
17 public school academy who met the income eligibility criteria for
18 free breakfast, lunch, or milk, as determined under the Richard B.
19 Russell national school lunch act and as reported to the
20 department by October 31 of the immediately preceding fiscal year
21 and adjusted not later than December 31 of the immediately
22 preceding fiscal year, an amount per pupil equal to 11.5% of the
23 sum of the district's foundation allowance or public school
24 academy's per pupil ~~allocation~~ CALCULATION under section 20, plus
25 the amount of the district's per pupil allocation under section
26 20j(2), not to exceed \$6,500.00 adjusted by the dollar amount of
27 the difference between the basic foundation allowance under
28 section 20 for the current state fiscal year and \$5,000.00, or of
29 the public school academy's per membership pupil ~~allocation~~

1 CALCULATION under section 20 for the current state fiscal year.
2 However, beginning in 2002-2003, the \$6,500.00 amount prescribed
3 in this subsection shall be adjusted each year by an amount equal
4 to the dollar amount of the difference between the basic
5 foundation allowance for the current state fiscal year and
6 \$5,000.00, minus \$200.00. A public school academy that began
7 operations as a public school academy after the pupil membership
8 count day of the immediately preceding school year shall receive
9 under this section for each membership pupil in the public school
10 academy who met the income eligibility criteria for free
11 breakfast, lunch, or milk, as determined under the Richard B.
12 Russell national school lunch act and as reported to the
13 department by October 31 of the current fiscal year and adjusted
14 not later than December 31 of the current fiscal year, an amount
15 per pupil equal to 11.5% of the public school academy's per
16 membership pupil ~~allocation~~ CALCULATION under section 20 for the
17 current state fiscal year.

18 (4) Except as otherwise provided in this section, a district
19 or public school academy receiving funding under this section
20 shall use that money only to provide instructional programs and
21 direct noninstructional services, including, but not limited to,
22 medical or counseling services AND SCHOOL HEALTH CLINICS, for at-
23 risk pupils and for the purposes of ~~subsection~~ SUBSECTIONS (5) or
24 ~~section 32e~~ (6) and shall not use any of that money for
25 administrative costs or to supplant another program or other
26 funds, except for funds allocated to the district or public school
27 academy under this section in the immediately preceding year and
28 already being used by the district or public school academy for
29 at-risk pupils. The instruction or direct noninstructional

1 services provided under this section may be conducted before or
2 after regular school hours or by adding extra school days to the
3 school year and may be conducted using a tutorial method, with
4 paraprofessionals working under the supervision of a certificated
5 teacher. The ratio of pupils to paraprofessionals shall be
6 between 10:1 and 15:1. Only 1 certificated teacher is required to
7 supervise instruction using a tutorial method. As used in this
8 subsection, "to supplant another program" means to take the place
9 of a previously existing instructional program or direct
10 noninstructional services funded from a funding source other than
11 funding under this section.

12 (5) A district or public school academy that receives funds
13 under this section and that operates a school breakfast program
14 under section 1272a of the revised school code, MCL 380.1272a,
15 shall use from the funds received under this section an amount,
16 not to exceed \$10.00 per pupil for whom the district or public
17 school academy receives funds under this section, necessary to
18 operate the school breakfast program.

19 (6) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS
20 ALLOCATED FOR 2001-2002 AN AMOUNT NOT TO EXCEED \$1,400,000.00 TO
21 SUPPORT TEEN HEALTH CENTERS. FUNDS SHALL BE DISTRIBUTED TO
22 EXISTING TEEN HEALTH CENTERS IN A MANNER APPROVED BY THE
23 DEPARTMENT OF COMMUNITY HEALTH. FROM THE FUNDS ALLOCATED UNDER
24 SUBSECTION (1), THERE IS ALLOCATED FOR 2002-2003 AN AMOUNT NOT TO
25 EXCEED \$3,743,000.00 FOR COMPETITIVE GRANTS TO SUPPORT TEEN HEALTH
26 CENTERS. GRANTS FOR 2002-2003 SHALL BE AWARDED IN A FORM AND
27 MANNER APPROVED JOINTLY BY THE DEPARTMENT AND THE DEPARTMENT OF
28 COMMUNITY HEALTH.

29 (7) ~~(6)~~ Each district or public school academy receiving funds

1 under this section shall submit to the department by July 15 of
2 each fiscal year a report, not to exceed 10 pages, on the usage by
3 the district or public school academy of funds under this section,
4 which report shall include at least a brief description of each
5 program conducted by the district or public school academy using
6 funds under this section, the amount of funds under this section
7 allocated to each of those programs, the number of at-risk pupils
8 eligible for free or reduced price school lunch who were served by
9 each of those programs, and the total number of at-risk pupils
10 served by each of those programs. If a district or public school
11 academy does not comply with this subsection, the department shall
12 withhold an amount equal to the August payment due under this
13 section until the district or public school academy complies with
14 this subsection. If the district or public school academy does
15 not comply with this subsection by the end of the state fiscal
16 year, the withheld funds shall be forfeited to the school aid
17 fund.

18 (8) ~~(7)~~ In order to receive funds under this section, a
19 district or public school academy shall allow access for the
20 department or the department's designee to audit all records
21 related to the program for which it receives those funds. The
22 district or public school academy shall reimburse the state for
23 all disallowances found in the audit.

24 (9) ~~(8)~~ Subject to ~~subsection~~ SUBSECTIONS (5) AND (6), any
25 district may use up to 100% of the funds it receives under this
26 section to reduce the ratio of pupils to teachers in grades K-6,
27 or any combination of those grades, in school buildings in which
28 the percentage of pupils described in subsection (1) exceeds the
29 district's aggregate percentage of those pupils. Subject to

1 ~~subsection~~ SUBSECTIONS (5) AND (6), if a district obtains a waiver
2 from the department, the district may use up to 100% of the funds
3 it receives under this section to reduce the ratio of pupils to
4 teachers in grades K-6, or any combination of those grades, in
5 school buildings in which the percentage of pupils described in
6 subsection (1) is at least 60% of the district's aggregate
7 percentage of those pupils and at least 30% of the total number of
8 pupils enrolled in the school building. To obtain a waiver, a
9 district must apply to the department and demonstrate to the
10 satisfaction of the department that the class size reductions
11 would be in the best interests of the district's at-risk pupils.

12 (10) ~~(9)~~ A district or public school academy may use funds
13 received under this section for adult high school completion,
14 general education development (G.E.D.) test preparation, or adult
15 basic education programs described in section 107.

16 (11) ~~(10)~~ If necessary, and before any proration required
17 under section 11, the department shall prorate payments under this
18 section by reducing the amount of the per pupil payment under this
19 section by a dollar amount calculated by determining the amount by
20 which the amount necessary to fully fund the requirements of this
21 section exceeds the maximum amount allocated under this section
22 and then dividing that amount by the total statewide number of
23 pupils who met the income eligibility criteria for free breakfast,
24 lunch, or milk in the immediately preceding fiscal year, as
25 described in subsection (1).

26 (12) ~~(11)~~ If a district is formed by consolidation after June
27 1, 1995, and if 1 or more of the original districts was not
28 eligible before the consolidation for an additional allowance
29 under this section, the amount of the additional allowance under

1 this section for the consolidated district shall be based on the
2 number of pupils described in subsection (1) enrolled in the
3 consolidated district who reside in the territory of an original
4 district that was eligible before the consolidation for an
5 additional allowance under this section.

6 (13) ~~(12)~~ A district or public school academy that does not
7 meet the eligibility requirement under subsection (2)(a) is
8 eligible for funding under this section if at least 1/4 of the
9 pupils in membership in the district or public school academy met
10 the income eligibility criteria for free breakfast, lunch, or milk
11 in the immediately preceding state fiscal year, as determined and
12 reported as described in subsection (1), and at least 4,500 of the
13 pupils in membership in the district or public school academy met
14 the income eligibility criteria for free breakfast, lunch, or milk
15 in the immediately preceding state fiscal year, as determined and
16 reported as described in subsection (1). A district or public
17 school academy that is eligible for funding under this section
18 because the district meets the requirements of this subsection
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 in the immediately
22 preceding fiscal year, as determined and reported as described in
23 subsection (1), an amount per pupil equal to 5.75% of the sum of
24 the district's foundation allowance or public school academy's per
25 pupil allocation under section 20, plus the amount of the
26 district's per pupil allocation under section 20j(2), not to
27 exceed \$6,500.00 adjusted by the dollar amount of the difference
28 between the basic foundation allowance under section 20 for the
29 current state fiscal year and \$5,000.00. However, beginning in

1 2002-2003, the \$6,500.00 amount prescribed in this subsection
2 shall be adjusted each year by an amount equal to the dollar
3 amount of the difference between the basic foundation allowance
4 for the current state fiscal year and \$5,000.00, minus \$200.00.

5 (14) ~~(13)~~ As used in this section, "at-risk pupil" means a
6 pupil for whom the district has documentation that the pupil meets
7 at least 2 of the following criteria: is a victim of child abuse
8 or neglect; is below grade level in English language and
9 communication skills or mathematics; is a pregnant teenager or
10 teenage parent; is eligible for a federal free or reduced-price
11 lunch subsidy; has atypical behavior or attendance patterns; or
12 has a family history of school failure, incarceration, or
13 substance abuse. For pupils for whom the results of at least the
14 applicable Michigan education assessment program (MEAP) test have
15 been received, at-risk pupil also includes a pupil who does not
16 meet the other criteria under this subsection but who did not
17 achieve at least a score of moderate on the most recent MEAP
18 reading test for which results for the pupil have been received,
19 did not achieve at least a score of moderate on the most recent
20 MEAP mathematics test for which results for the pupil have been
21 received, or did not achieve at least a score of novice on the
22 most recent MEAP science test for which results for the pupil have
23 been received. For pupils in grades K-3, at-risk pupil also
24 includes a pupil who is at risk of not meeting the district's core
25 academic curricular objectives in English language, communication
26 skills, or mathematics.

27 Sec. 31d. (1) From the state school aid fund appropriation in
28 section 11, there is allocated ~~an amount not to exceed~~
29 ~~\$14,149,400.00 for 2000-2001,~~ an amount not to exceed

1 ~~\$15,039,400.00~~ \$16,477,700.00 for 2001-2002, and an amount not to
2 exceed ~~\$15,941,700.00~~ \$17,337,200.00 for 2002-2003, and from the
3 general fund appropriation in section 11, there is allocated ~~an~~
4 ~~amount not to exceed \$682,300.00 for 2000-2001,~~ an amount not to
5 exceed \$722,300.00 for 2001-2002, and an amount not to exceed
6 \$762,800.00 for 2002-2003 for the purpose of making payments to
7 districts, intermediate districts, and other eligible entities
8 under this section.

9 (2) The amounts allocated FROM STATE SOURCES under this
10 section shall be used to pay the amount necessary to reimburse
11 districts for 6.0127% of the necessary costs of the state mandated
12 portion of the school lunch programs provided by those districts.
13 The amount due to each district under this section shall be
14 computed by the department using the methods of calculation
15 adopted by the Michigan supreme court in the consolidated cases
16 known as Durant v State of Michigan, Michigan supreme court docket
17 no. 104458-104492.

18 (3) The payments made under this section include all state
19 payments made to districts so that each district receives at least
20 6.0127% of the necessary costs of operating the state mandated
21 portion of the school lunch program in a fiscal year.

22 (4) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED
23 FOR 2002-2003 ALL AVAILABLE FEDERAL FUNDING, ESTIMATED AT
24 \$272,125,000.00, FOR THE NATIONAL SCHOOL LUNCH PROGRAM AND ALL
25 AVAILABLE FEDERAL FUNDING, ESTIMATED AT \$2,506,000.00, FOR THE
26 EMERGENCY FOOD ASSISTANCE PROGRAM.

27 (5) ~~(4)~~ Notwithstanding section 17b, payments to intermediate
28 districts and other eligible entities under this section shall be
29 paid on a schedule determined by the department.

1 Sec. 32d. (1) From the state school aid fund allocation under
2 section ~~32a(1)~~ 11, there is allocated an amount not to exceed
3 \$72,600,000.00 each fiscal year for ~~2000-2001~~, 2001-2002, AND FOR
4 2002-2003 for school readiness grants to enable eligible
5 districts, as determined under section 37, to develop or expand,
6 in conjunction with whatever federal funds may be available,
7 including, but not limited to, federal funds under title I of the
8 elementary and secondary education act of 1965, Public Law 89-10,
9 108 Stat. 3519, chapter 1 of title I of the Hawkins-Stafford
10 elementary and secondary school improvement amendments of 1988,
11 Public Law 89-10, 102 Stat. 140, and the head start act,
12 subchapter B of chapter 8 of subtitle A of title VI of the omnibus
13 budget reconciliation act of 1981, Public Law 97-35, comprehensive
14 compensatory programs designed to improve the readiness and
15 subsequent achievement of educationally disadvantaged children as
16 defined by the department who will be at least 4, but less than 5
17 years of age, as of December 1 of the school year in which the
18 programs are offered, and who show evidence of 2 or more risk
19 factors as defined in the state board report entitled "children at
20 risk" that was adopted by the state board on April 5, 1988. A
21 comprehensive compensatory program funded under this section shall
22 include an age-appropriate educational curriculum, nutritional
23 services, health screening for participating children, a plan for
24 parent and legal guardian involvement, and provision of referral
25 services for families eligible for community social services. In
26 addition, from the general fund allocations under section ~~32a(1)~~
27 11, there is allocated ~~an amount not to exceed \$16,250,000.00 for~~
28 ~~2000-2001 for the purposes of subsections (2) and (3) and an~~
29 amount not to exceed \$200,000.00 each fiscal year for 2001-2002

1 AND FOR 2002-2003 for the purposes of subsection (2).

2 (2) From the general fund allocation in subsection (1), there
3 is allocated each fiscal year for ~~2000-2001~~, 2001-2002, AND FOR
4 2002-2003 an amount not to exceed \$200,000.00 for a competitive
5 grant to continue a longitudinal evaluation of children who have
6 participated in the Michigan school readiness program.

7 ~~(3) From the general fund allocation in subsection (1), there~~
8 ~~is allocated an amount not to exceed \$16,050,000.00 for 2000-2001~~
9 ~~under this subsection to operate new or expanded full-day school~~
10 ~~readiness or head start programs. The funds shall be allocated~~
11 ~~through a competitive grant process to eligible districts that~~
12 ~~receive funding under subsection (1), to eligible public or~~
13 ~~nonprofit entities or agencies that receive funding for school~~
14 ~~readiness programs under the department appropriations act, or to~~
15 ~~eligible head start funded programs. The department shall~~
16 ~~determine the competitive grant criteria. The department may~~
17 ~~accept available federal funds from the family independence agency~~
18 ~~to support the program under this subsection. These federal funds~~
19 ~~include, but are not limited to, federal temporary assistance to~~
20 ~~needy families funds.~~

21 ~~(4) A district, entity, or agency receiving funding under~~
22 ~~subsection (3) that offers head start or school readiness programs~~
23 ~~may use the funds to expand the program to operate a full day.~~

24 ~~(5) A district, entity, or agency receiving funding under~~
25 ~~subsection (3) shall contribute a local match, which may consist~~
26 ~~of local, private, or federal funds or in-kind services, totaling~~
27 ~~at least 50% of the allocation under subsection (3).~~

28 ~~(6) An application for a grant under subsection (3) shall be~~
29 ~~in the form and manner prescribed by the department. The~~

~~1 department shall make the application form available to districts
2 by December 15 of the school year. The application shall include
3 a program budget that states all sources of funding to be used for
4 the program. Applications shall be submitted to the department
5 not later than February 1 of the school year. The department
6 shall approve or disapprove the application and notify the
7 applying district, entity, or agency of that decision by April 1
8 of the school year. Funds allocated under subsection (3) for the
9 current fiscal year may be expended through the end of the
10 following fiscal year.~~

11 (3) ~~(7)~~ A district receiving a grant under this section may
12 contract for the provision of the comprehensive compensatory
13 program ~~or full day school readiness program~~ and retain for
14 administrative services an amount equal to not more than 5% of the
15 grant amount.

16 ~~(8) As used in this section, "full day" means a program that
17 offers supplementary day care and therefore offers full-day
18 programming of at least 10 hours per day as part of its school
19 readiness program.~~

20 ~~(9) Not more than 10% of the grant funding in this section may
21 be used for start-up, equipment, or other costs not directly
22 related to the costs of the program. This does not prohibit any
23 applicant from receiving other available state assistance for
24 these purposes.~~

25 (4) ~~(10)~~ A grant recipient receiving funds under this section
26 shall report to the department no later than October 15 of each
27 year the number of children participating in the program who meet
28 the income or other eligibility criteria specified under section
29 37(3)(g) and the total number of children participating in the

1 program. For children participating in the program who meet the
2 income or other eligibility criteria specified under section
3 37(3)(g), grant recipients shall also report whether or not a
4 parent is available to provide care based on employment status.
5 For the purposes of this subsection, "employment status" shall be
6 defined by the family independence agency in a manner consistent
7 with maximizing the amount of spending that may be claimed for
8 temporary assistance for needy families maintenance of effort
9 purposes.

10 Sec. 37. (1) A district is eligible for an allocation under
11 ~~section 36 or, beginning in 2000-2001,~~ section 32d, if the
12 district meets all of the requirements in subsections (2), (3),
13 and (4).

14 (2) The district shall submit a preapplication, in a manner
15 and on forms prescribed by the department, by a date specified by
16 the department in the immediately preceding state fiscal year.
17 The preapplication shall include a comprehensive needs assessment
18 and community collaboration plan, and shall identify all of the
19 following:

20 (a) The estimated total number of children in the community
21 who meet the criteria of ~~section 36 or, beginning in 2000-2001,~~
22 section 32d, and how that calculation was made.

23 (b) The estimated number of children in the community who meet
24 the criteria of ~~section 36 or, beginning in 2000-2001,~~ section
25 32d, and are being served by other early childhood development
26 programs operating in the community, and how that calculation was
27 made.

28 (c) The number of children the district will be able to serve
29 who meet the criteria of ~~section 36 or, beginning in 2000-2001,~~

1 section 32d, including a verification of physical facility and
2 staff resources capacity.

3 (d) The estimated number of children who meet the criteria of
4 ~~section 36 or, beginning in 2000-2001,~~ section 32d, who will
5 remain unserved after the district and community early childhood
6 programs have met their funded enrollments. The school district
7 shall maintain a waiting list of identified unserved eligible
8 children who would be served when openings are available.

9 (3) The district shall submit a final application for
10 approval, in a manner and on forms prescribed by the department,
11 by a date specified by the department. The final application
12 shall indicate all of the following that apply:

13 (a) The district complies with the state board approved
14 standards of quality and curriculum guidelines for early childhood
15 programs for 4-year-olds.

16 (b) The district provides for the active and continuous
17 participation of parents or guardians of the children in the
18 program, and describes the district's participation plan as part
19 of the application.

20 (c) The district only employs for this program the following:

21 (i) Teachers possessing proper training, including, but not
22 limited to, a valid teaching certificate and an early childhood
23 (ZA) endorsement. This provision does not apply to a district
24 that subcontracts with an eligible child development program. In
25 that situation a teacher must have a valid teaching certificate
26 and may have a child development associate credential (CDA)
27 instead of an early childhood (ZA) endorsement.

28 (ii) Paraprofessionals possessing proper training in early
29 childhood development or who have completed at least 1 course in

1 an appropriate training program, including, but not limited to, a
2 child development associate credential (CDA) or associate degree
3 in child development or other similar program, as approved by the
4 department.

5 (d) The district has submitted for approval a program budget
6 that includes only those costs not reimbursed or reimbursable by
7 federal funding, that are clearly and directly attributable to the
8 early childhood readiness program, and that would not be incurred
9 if the program were not being offered. If children other than
10 those determined to be educationally disadvantaged participate in
11 the program, state reimbursement under ~~section 36 or, beginning in~~
12 ~~2000-2001, under~~ section 32d shall be limited to the portion of
13 approved costs attributable to educationally disadvantaged
14 children.

15 (e) The district has established a school readiness advisory
16 committee consisting of, at a minimum, classroom teachers for
17 prekindergarten, kindergarten, and first grade; parents or
18 guardians of program participants; representatives from
19 appropriate community agencies and organizations; the district
20 curriculum director or equivalent administrator; and, if feasible,
21 a school psychologist, school social worker, or school counselor.
22 In addition, there shall be on the committee at least 1 parent or
23 guardian of a program participant for every 18 children enrolled
24 in the program, with a minimum of 2 parent or guardian
25 representatives. The committee shall do all of the following:

26 (i) Ensure the ongoing articulation of the early childhood,
27 kindergarten, and first grade programs offered by the district.

28 (ii) Review the mechanisms and criteria used to determine
29 participation in the early childhood program.

1 (iii) Review the health screening program for all
2 participants.

3 (iv) Review the nutritional services provided to program
4 participants.

5 (v) Review the mechanisms in place for the referral of
6 families to community social service agencies, as appropriate.

7 (vi) Review the collaboration with and the involvement of
8 appropriate community, volunteer, and social service agencies and
9 organizations in addressing all aspects of educational
10 disadvantage.

11 (vii) Review, evaluate, and make recommendations to a local
12 school readiness program or programs for changes to the school
13 readiness program.

14 (f) The district has submitted for departmental approval a
15 plan to conduct and report annual school readiness program
16 evaluations using criteria approved by the department. At a
17 minimum, the evaluations shall include assessment of the gains in
18 educational readiness and progress through first grade of children
19 participating in the school readiness program.

20 (g) More than 50% of the children participating in the program
21 meet the income eligibility criteria for free or reduced price
22 lunch, as determined under the Richard B. Russell national school
23 lunch act, chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755
24 to 1761, 1762a, 1765 to 1766a, 1769, 1769b to 1769c, and 1769f to
25 1769h, or meet the income and all other eligibility criteria for
26 the family independence agency unified child day care program.

27 (4) A consortium of 2 or more districts shall be eligible for
28 an allocation under ~~section 36 or, beginning in 2000-2001, section~~
29 ~~32d~~, if the districts designate a single fiscal agent for the

1 allocation. A district or intermediate district may administer a
2 consortium described in this subsection. A consortium shall
3 submit a single preapplication and application for the children to
4 be served, regardless of the number of districts participating in
5 the consortium.

6 (5) With the final application, an applicant district shall
7 submit to the department a resolution adopted by its board
8 certifying the number of 4-year-old children who show evidence of
9 risk factors as described in ~~section 36 or, beginning in 2000-~~
10 ~~2001,~~ section 32d, who meet the income eligibility criteria for
11 free or reduced price lunch or the income and all other
12 eligibility criteria for the family independence agency unified
13 child day care program, and who will participate in a school
14 readiness program funded under ~~section 36 or, beginning in 2000-~~
15 ~~2001,~~ section 32d.

16 Sec. 38. The maximum number of prekindergarten children
17 construed to be in need of special readiness assistance under
18 ~~section 36 or, beginning in 2000-2001,~~ section 32d shall be
19 calculated for each district in the following manner: one-half of
20 the percentage of the district's pupils in grades 1-5 who are
21 eligible for free lunch, as determined by the district's October
22 count in the immediately preceding school year under the Richard
23 B. Russell national school lunch act, chapter 281, 60 Stat. 230,
24 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766a, 1769,
25 1769b to 1769c, and 1769f to 1769h, as reported to the department
26 not later than December 31 of the immediately preceding fiscal
27 year, shall be multiplied by the average kindergarten enrollment
28 of the district on the pupil membership count day of the 2
29 immediately preceding years.

1 Sec. 39. (1) The tentative allocation for each fiscal year to
2 each eligible district under ~~section 36 or, beginning in 2000-~~
3 ~~2001,~~ section 32d shall be determined by multiplying the number of
4 children determined in section 38 or the number of children the
5 district indicates it will be able to serve under section
6 37(2)(c), whichever is less, ~~by \$3,100.00 or, beginning in 2000-~~
7 ~~2001,~~ by \$3,300.00 and shall be distributed among districts in
8 decreasing order of concentration of eligible children as
9 determined by section 38 until the money allocated in ~~section 36~~
10 ~~or, beginning in 2000-2001,~~ section 32d is distributed.

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

14 (3) A district that received funds under this section in at
15 least 1 of the 2 immediately preceding fiscal years shall receive
16 priority in funding over other eligible districts. However,
17 funding beyond 3 state fiscal years is contingent upon the
18 availability of funds and documented evidence satisfactory to the
19 department of compliance with all operational, fiscal,
20 administrative, and other program requirements.

21 (4) A district that offers supplementary day care funded by
22 funds other than those received under this section and therefore
23 offers full-day programs as part of its early childhood
24 development program shall receive priority in the allocation of
25 funds under this section over other eligible districts other than
26 those districts funded under subsection (3).

27 (5) For any district with 315 or more eligible pupils, the
28 number of eligible pupils shall be 65% of the number calculated
29 under section 38. However, none of these districts may have less

1 than 315 pupils for purposes of calculating the tentative
 2 allocation under ~~section 36 or, beginning in 2000-2001,~~ section
 3 32d.

4 (6) If, taking into account the total amount to be allocated
 5 to the district as calculated under this section, a district
 6 determines that it is able to include additional eligible children
 7 in the school readiness program without additional funds under
 8 this section, the district may include additional eligible
 9 children but shall not receive additional funding under this
 10 section for those children.

11 SEC. 39A. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
 12 ALLOCATED FOR 2002-2003 ALL AVAILABLE FEDERAL FUNDING, ESTIMATED
 13 AT \$772,242,300.00, FOR THE FEDERAL "NO CHILD LEFT BEHIND ACT"
 14 PROGRAMS UNDER PUBLIC LAW 107-116. THE FUNDING IS FOR THE
 15 PURPOSES OF THE FOLLOWING STATE PROGRAMS THAT ARE FUNDED BY
 16 FEDERAL GRANTS:

| | | |
|----|---|---------------|
| 17 | CLASS SIZE REDUCTION GRANTS | \$ 50,275,700 |
| 18 | COMMUNITY SERVICE STATE GRANTS | 1,648,300 |
| 19 | DRUG-FREE SCHOOLS GRANTS | 16,758,400 |
| 20 | EDUCATIONAL TECHNOLOGY STATE GRANTS | 22,572,000 |
| 21 | EISENHOWER MATHEMATICS AND SCIENCE GRANTS . . . | 12,940,000 |
| 22 | GOALS 2000 GRANTS | 6,000,000 |
| 23 | IMPROVING TEACHER QUALITY | 106,770,200 |
| 24 | LANGUAGE ACQUISITION STATE GRANTS | 4,647,700 |
| 25 | MICHIGAN CHARTER SCHOOL SUBGRANT PROGRAM . . . | 9,000,000 |
| 26 | MICHIGAN MODEL PARTNERSHIP FOR CHARACTER | |
| 27 | EDUCATION | 247,600 |
| 28 | RURAL AND LOW INCOME SCHOOLS | 1,909,600 |
| 29 | TECHNOLOGY LITERACY CHALLENGE GRANTS | 6,000,000 |

| | | |
|----|--|--------------|
| 1 | TITLE I, COMPREHENSIVE SCHOOL REFORM | 11,123,700 |
| 2 | TITLE I, DISADVANTAGED CHILDREN | 409,650,700 |
| 3 | TITLE I, EVEN START | 8,334,400 |
| 4 | TITLE I, MIGRANT | 8,879,300 |
| 5 | TITLE I, READING FIRST STATE GRANTS | 27,050,000 |
| 6 | TITLE VI, INNOVATIVE STRATEGIES | 11,585,100 |
| 7 | 21 ST CENTURY COMMUNITY LEARNING CENTERS | 11,161,200 |
| 8 | URGENT SCHOOL RENOVATION GRANTS | 45,688,400 |
| 9 | THE ABOVE 2002-2003 PROGRAMS ARE FUNDED FROM THE FOLLOWING SOURCES | |
| 10 | OF FEDERAL FUNDS: | |
| 11 | DED-OESE, CHARTER SCHOOLS | \$ 9,000,000 |
| 12 | DED-OESE, CLASS SIZE REDUCTION | 50,275,700 |
| 13 | DED-OESE, COMMUNITY SERVICE STATE GRANTS | 1,648,300 |
| 14 | DED-OESE, DRUG-FREE SCHOOLS AND COMMUNITIES | 16,758,400 |
| 15 | DED-OESE, EDUCATIONAL TECHNOLOGY STATE GRANTS | 22,572,000 |
| 16 | DED-OESE, GOALS 2000 | 6,000,000 |
| 17 | DED-OESE, EISENHOWER MATHEMATICS AND SCIENCE | 12,940,000 |
| 18 | DED-OESE, IMPROVING TEACHER QUALITY | 106,770,200 |
| 19 | DED-OESE, LANGUAGE ACQUISITION STATE GRANTS | 4,647,700 |
| 20 | DED-OESE, RURAL AND LOW INCOME SCHOOLS | 1,909,600 |
| 21 | DED-OESE, TECHNOLOGY LITERACY CHALLENGE FUND | 6,000,000 |
| 22 | DED-OESE, TITLE I, COMPREHENSIVE SCHOOL REFORM | 8,568,200 |
| 23 | DED-OESE, TITLE I, DISADVANTAGED CHILDREN | 409,650,700 |
| 24 | DED-OESE, TITLE I, EVEN START | 8,334,400 |
| 25 | DED-OESE, TITLE I, MIGRANT EDUCATION | 8,879,300 |
| 26 | DED-OESE, TITLE I, READING FIRST STATE GRANTS | 27,050,000 |
| 27 | DED-OESE, TITLE VI, INNOVATIVE STRATEGIES | 11,585,100 |
| 28 | DED-OESE, TITLE X, COMPREHENSIVE SCHOOL REFORM | 2,555,500 |
| 29 | DED-OESE, TITLE X, FUND FOR IMPROVEMENT OF | |

1 EDUCATION 247,600

2 DED-OESE, 21ST CENTURY COMMUNITY LEARNING CENTERS 11,161,200

3 DED-OESE, URGENT SCHOOL RENOVATION 45,688,400

4 (2) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED

5 FOR 2002-2003 ALL AVAILABLE FEDERAL FUNDING, ESTIMATED AT

6 \$6,595,300.00, FOR THE FOLLOWING STATE PROGRAMS THAT ARE FUNDED BY

7 FEDERAL GRANTS:

8 ACQUIRED IMMUNODEFICIENCY SYNDROME EDUCATION

9 GRANTS \$ 600,000

10 AT-RISK CHILD CARE 976,000

11 EMERGENCY IMMIGRANT 1,553,500

12 HOMELESS CHILDREN AND YOUTH 1,468,300

13 REFUGEE CHILDREN SCHOOL IMPACT GRANTS 300,000

14 SCHOOL-AGE CHILD CARE GRANTS 857,500

15 SERVE AMERICA GRANTS 840,000

16 THE ABOVE 2002-2003 PROGRAMS ARE FUNDED FROM THE FOLLOWING SOURCES

17 OF FEDERAL FUNDS:

18 DED-OBEMLA, EMERGENCY IMMIGRANT EDUCATION

19 ASSISTANCE \$ 1,553,500

20 DED-OVAE, HOMELESS CHILDREN AND YOUTH 1,468,300

21 HHS-ACF, AT-RISK CHILD CARE 976,000

22 HHS-ACF, REFUGEE CHILDREN SCHOOL IMPACT 300,000

23 HHS-CENTER FOR DISEASE CONTROL, AIDS 600,000

24 HHS-ACF, DEPENDENT CARE BLOCK GRANT 857,500

25 CORPORATION FOR NATIONAL AND COMMUNITY SERVICE 840,000

26 (3) AS USED IN THIS SECTION:

27 (A) "DED" MEANS THE UNITED STATES DEPARTMENT OF EDUCATION.

28 (B) "DED-OBEMLA" MEANS THE DED OFFICE OF BILINGUAL EDUCATION

29 AND MINORITY LANGUAGES AFFAIRS.

1 (C) "DED-OESE" MEANS THE DED OFFICE OF ELEMENTARY AND
2 SECONDARY EDUCATION.

3 (D) "DED-OVAE" MEANS THE DED OFFICE OF VOCATIONAL AND ADULT
4 EDUCATION.

5 (E) "HHS" MEANS THE UNITED STATES DEPARTMENT OF HEALTH AND
6 HUMAN SERVICES.

7 (F) "HHS-ACF" MEANS THE HHS ADMINISTRATION FOR CHILDREN AND
8 FAMILIES.

9 Sec. 41. From the appropriation in section 11, there is
10 allocated an amount not to exceed \$4,212,000.00 each fiscal year
11 ~~for 2000-2001,~~ for 2001-2002, AND FOR 2002-2003 to applicant
12 districts and intermediate districts offering programs of
13 bilingual instruction for pupils of limited English-speaking
14 ability under section 1153 of the revised school code, MCL
15 380.1153. Reimbursement shall be on a per pupil basis and shall
16 be based on the number of pupils of limited English-speaking
17 ability in membership on the pupil membership count day. Funds
18 allocated under this section shall be used solely for bilingual
19 instruction in speaking, reading, writing, or comprehension of
20 pupils of limited English-speaking ability.

21 Sec. 51a. (1) From the appropriation in section 11, ~~there is~~
22 ~~allocated for 2000-2001 an amount not to exceed \$739,021,900.00~~
23 ~~from state sources and all available federal funding under~~
24 ~~sections 611 to 619 of part B of the individuals with disabilities~~
25 ~~education act, title VI of Public Law 91-230, 20 U.S.C. 1411 to~~
26 ~~1419, estimated at \$160,000,000.00, plus any carryover federal~~
27 ~~funds from previous year appropriations;~~ there is allocated for
28 2001-2002 an amount not to exceed ~~\$794,821,900.00~~ \$796,601,900.00
29 from state sources and all available federal funding UNDER

1 SECTIONS 611 TO 619 OF PART B OF THE INDIVIDUALS WITH DISABILITIES
 2 EDUCATION ACT, TITLE VI OF PUBLIC LAW 91-230, 20 U.S.C. 1411 TO
 3 1419, estimated at \$203,000,000.00, plus any carryover federal
 4 funds from previous year appropriations; and there is allocated
 5 for 2002-2003 an amount not to exceed ~~\$848,661,900.00~~
 6 \$852,101,900.00 from state sources and all available federal
 7 funding, estimated at \$235,000,000.00, plus any carryover federal
 8 funds from previous year appropriations. The allocations under
 9 this subsection are for the purpose of reimbursing districts and
 10 intermediate districts for special education programs, services,
 11 and special education personnel as prescribed in article 3 of the
 12 revised school code, MCL 380.1701 to 380.1766; net tuition
 13 payments made by intermediate districts to the Michigan schools
 14 for the deaf and blind; and special education programs and
 15 services for pupils who are eligible for special education
 16 programs and services according to statute or rule. For meeting
 17 the costs of special education programs and services not
 18 reimbursed under this article, a district or intermediate district
 19 may use money in general funds or special education funds, not
 20 otherwise restricted, or contributions from districts to
 21 intermediate districts, tuition payments, gifts and contributions
 22 from individuals, or federal funds that may be available for this
 23 purpose, as determined by the intermediate district plan prepared
 24 pursuant to article 3 of the revised school code, MCL 380.1701 to
 25 380.1766.

26 (2) From the funds allocated under subsection (1), there is
 27 allocated ~~for 2000-2001,~~ for 2001-2002, and for 2002-2003 the
 28 amount necessary, estimated at ~~\$128,200,000.00 for 2000-2001,~~
 29 ~~\$138,000,000.00~~ \$139,100,000.00 for 2001-2002, and ~~\$148,000,000.00~~

1 \$149,500,000.00 for 2002-2003, for payments toward reimbursing
2 districts and intermediate districts for 28.6138% of total
3 approved costs of special education, excluding costs reimbursed
4 under section 53a, and 70.4165% of total approved costs of special
5 education transportation. Allocations under this subsection shall
6 be made as follows:

7 (a) The initial amount allocated to a district under this
8 subsection toward fulfilling the specified percentages shall be
9 calculated by multiplying the district's special education pupil
10 membership, excluding pupils described in subsection (12), times
11 the sum of the foundation allowance under section 20 of the
12 pupil's district of residence plus the amount of the district's
13 per pupil allocation under section 20j(2), not to exceed \$6,500.00
14 adjusted by the dollar amount of the difference between the basic
15 foundation allowance under section 20 for the current fiscal year
16 and \$5,000.00, or, for a special education pupil in membership in
17 a district that is a public school academy or university school,
18 times an amount equal to the amount per membership pupil
19 calculated under section 20(6). For an intermediate district, the
20 amount allocated under this subdivision toward fulfilling the
21 specified percentages shall be an amount per special education
22 membership pupil, excluding pupils described in subsection (12),
23 and shall be calculated in the same manner as for a district,
24 using the foundation allowance under section 20 of the pupil's
25 district of residence, not to exceed \$6,500.00 adjusted by the
26 dollar amount of the difference between the basic foundation
27 allowance under section 20 for the current fiscal year and
28 \$5,000.00, and that district's per pupil allocation under section
29 20j(2). However, beginning in 2002-2003, the \$6,500.00 amount

1 prescribed in this subdivision shall be adjusted each year by an
2 amount equal to the dollar amount of the difference between the
3 basic foundation allowance for the current state fiscal year and
4 \$5,000.00, minus \$200.00.

5 (b) After the allocations under subdivision (a), districts and
6 intermediate districts for which the payments under subdivision
7 (a) do not fulfill the specified percentages shall be paid the
8 amount necessary to achieve the specified percentages for the
9 district or intermediate district.

10 (3) From the funds allocated under subsection (1), there is
11 allocated each fiscal year ~~for 2000-2001,~~ for 2001-2002, and for
12 2002-2003 the amount necessary, estimated at ~~\$3,000,000.00~~
13 \$1,800,000.00 each fiscal year, to make payments to districts and
14 intermediate districts under this subsection. If the amount
15 allocated to a district or intermediate district for a fiscal year
16 under subsection (2)(b) is less than the sum of the amounts
17 allocated to the district or intermediate district for 1996-97
18 under sections 52 and 58, there is allocated to the district or
19 intermediate district for the fiscal year an amount equal to that
20 difference, adjusted by applying the same proration factor that
21 was used in the distribution of funds under section 52 in 1996-97
22 as adjusted to the district's or intermediate district's necessary
23 costs of special education used in calculations for the fiscal
24 year. This adjustment is to reflect reductions in special
25 education program operations between 1996-97 and subsequent fiscal
26 years. ~~Beginning in 2000-2001, adjustments~~ ADJUSTMENTS for
27 reductions in special education program operations shall be made
28 in a manner determined by the department and shall include
29 adjustments for program shifts.

1 (4) If the department determines that the sum of the amounts
2 allocated for a fiscal year to a district or intermediate district
3 under subsection (2)(a) and (b) is not sufficient to fulfill the
4 specified percentages in subsection (2), then the shortfall shall
5 be paid to the district or intermediate district during the fiscal
6 year beginning on the October 1 following the determination and
7 payments under subsection (3) shall be adjusted as necessary. If
8 the department determines that the sum of the amounts allocated
9 for a fiscal year to a district or intermediate district under
10 subsection (2)(a) and (b) exceeds the sum of the amount necessary
11 to fulfill the specified percentages in subsection (2), then the
12 department shall deduct the amount of the excess from the
13 district's or intermediate district's payments under this act for
14 the fiscal year beginning on the October 1 following the
15 determination and payments under subsection (3) shall be adjusted
16 as necessary. However, if the amount allocated under subsection
17 (2)(a) in itself exceeds the amount necessary to fulfill the
18 specified percentages in subsection (2), there shall be no
19 deduction under this subsection.

20 (5) State funds shall be allocated on a total approved cost
21 basis. Federal funds shall be allocated under applicable federal
22 requirements, except that an amount not to exceed \$3,500,000.00
23 each fiscal year may be allocated by the department for ~~2000-2001,~~
24 for 2001-2002, and for 2002-2003 to districts or intermediate
25 districts on a competitive grant basis for programs, equipment,
26 and services that the department determines to be designed to
27 benefit or improve special education on a statewide scale.

28 (6) From the amount allocated in subsection (1), there is
29 allocated an amount not to exceed \$2,200,000.00 each fiscal year

1 ~~for 2000-2001,~~ for 2001-2002, and for 2002-2003 to reimburse 100%
2 of the net increase in necessary costs incurred by a district or
3 intermediate district in implementing the revisions in the
4 administrative rules for special education that became effective
5 on July 1, 1987. As used in this subsection, "net increase in
6 necessary costs" means the necessary additional costs incurred
7 solely because of new or revised requirements in the
8 administrative rules minus cost savings permitted in implementing
9 the revised rules. Net increase in necessary costs shall be
10 determined in a manner specified by the department.

11 (7) For purposes of this article, all of the following apply:

12 (a) "Total approved costs of special education" shall be
13 determined in a manner specified by the department and may include
14 indirect costs, but shall not exceed 115% of approved direct costs
15 for section 52 and section 53a programs. The total approved costs
16 include salary and other compensation for all approved special
17 education personnel for the program, including payments for social
18 security and medicare and public school employee retirement system
19 contributions. The total approved costs do not include salaries
20 or other compensation paid to administrative personnel who are not
21 special education personnel as defined in section 6 of the revised
22 school code, MCL 380.6. Costs reimbursed by federal funds, other
23 than those federal funds included in the allocation made under
24 this article, are not included. Special education approved
25 personnel not utilized full time in the evaluation of students or
26 in the delivery of special education programs, ancillary, and
27 other related services shall be reimbursed under this section only
28 for that portion of time actually spent providing these programs
29 and services, with the exception of special education programs and

1 services provided to youth placed in child caring institutions or
2 juvenile detention programs approved by the department to provide
3 an on-grounds education program.

4 (b) Reimbursement for ancillary and other related services, as
5 defined by R 340.1701 of the Michigan administrative code, shall
6 not be provided when those services are covered by and available
7 through private group health insurance carriers or federal
8 reimbursed program sources unless the department and district or
9 intermediate district agree otherwise and that agreement is
10 approved by the state budget director. Expenses, other than the
11 incidental expense of filing, shall not be borne by the parent.
12 In addition, the filing of claims shall not delay the education of
13 a pupil. A district or intermediate district shall be responsible
14 for payment of a deductible amount and for an advance payment
15 required until the time a claim is paid.

16 (8) From the allocation in subsection (1), there is allocated
17 each fiscal year ~~for 2000-2001,~~ for 2001-2002, and for 2002-2003
18 an amount not to exceed \$15,313,900.00 each fiscal year to
19 intermediate districts. The payment under this subsection to each
20 intermediate district shall be equal to the amount of the 1996-97
21 allocation to the intermediate district under subsection (6) of
22 this section as in effect for 1996-97.

23 (9) A pupil who is enrolled in a full-time special education
24 program conducted or administered by an intermediate district or a
25 pupil who is enrolled in the Michigan schools for the deaf and
26 blind shall not be included in the membership count of a district,
27 but shall be counted in membership in the intermediate district of
28 residence.

29 (10) Special education personnel transferred from 1 district

1 to another to implement the revised school code shall be entitled
2 to the rights, benefits, and tenure to which the person would
3 otherwise be entitled had that person been employed by the
4 receiving district originally.

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

11 (12) From the funds allocated in subsection (1), there is
12 allocated ~~each fiscal year for 2000-2001,~~ for 2001-2002, and for
13 2002-2003 the amount necessary, estimated at ~~\$6,700,000.00 for~~
14 ~~2000-2001,~~ \$7,100,000.00 ~~\$6,800,000.00 for 2001-2002, and~~
15 ~~\$7,300,000.00~~ \$7,000,000.00 for 2002-2003 to pay the foundation
16 allowances for pupils described in this subsection. The
17 allocation to a district under this subsection shall be calculated
18 by multiplying the number of pupils described in this subsection
19 who are counted in membership in the district times the sum of the
20 foundation allowance under section 20 of the pupil's district of
21 residence plus the amount of the district's per pupil allocation
22 under section 20j(2), not to exceed \$6,500.00 adjusted by the
23 dollar amount of the difference between the basic foundation
24 allowance under section 20 for the current fiscal year and
25 \$5,000.00, or, for a pupil described in this subsection who is
26 counted in membership in a district that is a public school
27 academy or university school, times an amount equal to the amount
28 per membership pupil under section 20(6). The allocation to an
29 intermediate district under this subsection shall be calculated in

1 the same manner as for a district, using the foundation allowance
2 under section 20 of the pupil's district of residence, not to
3 exceed \$6,500.00 adjusted by the dollar amount of the difference
4 between the basic foundation allowance under section 20 for the
5 current fiscal year and \$5,000.00, and that district's per pupil
6 allocation under section 20j(2). However, beginning in 2002-2003,
7 the \$6,500.00 amount prescribed in this subsection shall be
8 adjusted each year by an amount equal to the dollar amount of the
9 difference between the basic foundation allowance for the current
10 state fiscal year and \$5,000.00, minus \$200.00. This subsection
11 applies to all of the following pupils:

12 (a) Pupils described in section 53a.

13 (b) Pupils counted in membership in an intermediate district
14 who are not special education pupils and are served by the
15 intermediate district in a juvenile detention or child caring
16 facility.

17 (c) Emotionally impaired pupils counted in membership by an
18 intermediate district and provided educational services by the
19 department of community health.

20 (13) After payments under subsections (2) and (12) and section
21 51c, the remaining expenditures from the allocation in subsection
22 (1) shall be made in the following order:

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

24 (b) 100% of the reimbursement required under subsection (6).

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

26 (d) 100% of the payment required under subsection (3).

27 (e) 100% of the payment required under subsection (8).

28 (f) 100% of the payments under section 56.

1 (14) The allocations under subsection (2), subsection (3), and
 2 subsection (12) shall be allocations to intermediate districts
 3 only and shall not be allocations to districts, but instead shall
 4 be calculations used only to determine the state payments under
 5 section 22b.

6 Sec. 51c. As required by the court in the consolidated cases
 7 known as Durant v State of Michigan, Michigan supreme court docket
 8 no. 104458-104492, from the allocation under section 51a(1), there
 9 is allocated ~~for 2000-2001,~~ for 2001-2002, and for 2002-2003 the
 10 amount necessary, estimated at ~~\$529,000,000.00 for 2000-2001,~~
 11 ~~\$568,000,000.00~~ \$577,000,000.00 for 2001-2002, and ~~\$611,000,000.00~~
 12 \$621,900,000.00 for 2002-2003, for payments to reimburse districts
 13 for 28.6138% of total approved costs of special education
 14 excluding costs reimbursed under section 53a, and 70.4165% of
 15 total approved costs of special education transportation. Funds
 16 allocated under this section that are not expended in the state
 17 fiscal year for which they were allocated, as determined by the
 18 department, may be used to supplement the allocations under
 19 sections 22a and 22b in order to fully fund those calculated
 20 allocations for the same fiscal year.

21 SEC 51D. FROM THE APPROPRIATION IN SECTION 11, THERE IS
 22 ALLOCATED FOR 2002-2003 ALL AVAILABLE FEDERAL FUNDING, ESTIMATED
 23 AT \$59,837,200.00, FOR THE FOLLOWING STATE SPECIAL EDUCATION
 24 PROGRAMS THAT ARE FUNDED BY FEDERAL GRANTS:

| | | |
|----|--|---------------|
| 25 | HANDICAPPED INFANTS AND TODDLERS | \$ 16,000,000 |
| 26 | PRESCHOOL GRANTS (PL 94-142) | 13,500,000 |
| 27 | SPECIAL EDUCATION | 30,337,200 |

28 THE ABOVE 2002-2003 PROGRAMS ARE FUNDED FROM THE FOLLOWING SOURCES
 29 OF FEDERAL FUNDS:

1 DED-OSERS, HANDICAPPED INFANTS AND TODDLERS . . \$ 16,000,000
 2 DED-OSERS, HANDICAPPED PRESCHOOL INCENTIVE . . 13,500,000
 3 DED-OSERS, HANDICAPPED PROGRAM, INDIVIDUALS WITH
 4 DISABILITIES ACT 30,337,200
 5 AS USED IN THIS SECTION, "DED-OSERS" MEANS THE UNITED STATES
 6 DEPARTMENT OF EDUCATION OFFICE OF SPECIAL EDUCATION AND
 7 REHABILITATIVE SERVICES.

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

9 (a) "Membership" means for a particular fiscal year the total
 10 membership for the immediately preceding fiscal year of the
 11 intermediate district and the districts constituent to the
 12 intermediate district.

13 (b) "Millage levied" means the millage levied for special
 14 education pursuant to part 30 of the revised school code, MCL
 15 380.1711 to 380.1743, including a levy for debt service
 16 obligations.

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

23 (2) From the allocation under section 51a(1), there is
 24 allocated an amount not to exceed ~~\$38,120,000.00 for 2000-2001,~~
 25 ~~\$44,720,000.00~~ \$37,900,000.00 EACH FISCAL YEAR for 2001-2002, and
 26 ~~\$45,360,000.00~~ for 2002-2003 to reimburse intermediate districts
 27 levying millages for special education pursuant to part 30 of the
 28 revised school code, MCL 380.1711 to 380.1743. The purpose, use,
 29 and expenditure of the reimbursement shall be limited as if the

1 funds were generated by these millages and governed by the
2 intermediate district plan adopted pursuant to article 3 of the
3 revised school code, MCL 380.1701 to 380.1766. As a condition of
4 receiving funds under this section, an intermediate district
5 distributing any portion of special education millage funds to its
6 constituent districts shall submit for departmental approval and
7 implement a distribution plan.

8 ~~(3) Reimbursement for those millages levied in 1999-2000 shall~~
9 ~~be made in 2000-2001 at an amount per 1999-2000 membership pupil~~
10 ~~computed by subtracting from \$111,700.00 the 1999-2000 taxable~~
11 ~~value behind each membership pupil, and multiplying the resulting~~
12 ~~difference by the 1999-2000 millage levied. Reimbursement for~~
13 ~~those millages levied in 2000-2001 shall be made in 2001-2002 at~~
14 ~~an amount per 2000-2001 membership pupil computed by subtracting~~
15 ~~from \$118,000.00 \$119,200.00 the 2000-2001 taxable value behind~~
16 ~~each membership pupil and multiplying the resulting difference by~~
17 ~~the 2000-2001 millage levied. Reimbursement for those millages~~
18 ~~levied in 2001-2002 shall be made in 2002-2003 at an amount per~~
19 ~~2001-2002 membership pupil computed by subtracting from~~
20 ~~\$123,500.00 \$125,800.00 the 2001-2002 taxable value behind each~~
21 ~~membership pupil and multiplying the resulting difference by the~~
22 ~~2001-2002 millage levied.~~

23 ~~(4) From the allocation in subsection (2), there is allocated~~
24 ~~an amount not to exceed \$2,440,000.00 for 2000-2001, an amount not~~
25 ~~to exceed \$6,820,000.00 for 2001-2002, and an amount not to exceed~~
26 ~~\$7,240,000.00 for 2002-2003 for payments to intermediate districts~~
27 ~~under this subsection that do not qualify for a payment under~~
28 ~~subsection (3) for reimbursement for changes as a result of~~
29 ~~revisions to the personal property tax depreciation tables. To~~

~~1 receive a payment under this subsection, an intermediate district
2 shall file a claim by July 1 of the fiscal year to the department,
3 detailing the loss of revenue to the intermediate district's
4 special education millage attributable to those revisions. The
5 amount of the payment under this subsection to each intermediate
6 district shall be an amount equal to the same proportion of the
7 total amount of funding available under this subsection as the
8 intermediate district's claim under this section bears to the
9 total amount of claims under this subsection and, notwithstanding
10 section 121, shall not be adjusted for prior year adjustments more
11 than 2 years after the end of the state fiscal year for which
12 payment under this subsection was made.~~

13 Sec. 57. (1) From the appropriation in section 11, there is
14 allocated an amount not to exceed \$600,000.00 each fiscal year ~~for~~
15 ~~2000-2001~~, for 2001-2002, AND FOR 2002-2003 to applicant
16 intermediate districts that provide support services for the
17 education of gifted and talented pupils. An intermediate district
18 is entitled to 75% of the actual salary, but not to exceed
19 \$25,000.00 reimbursement for an individual salary, of a support
20 services teacher approved by the department, and not to exceed
21 \$4,000.00 reimbursement for expenditures to support program costs,
22 excluding in-county travel and salary, as approved by the
23 department.

24 (2) From the appropriation in section 11, there is allocated
25 an amount not to exceed \$400,000.00 each fiscal year ~~for 2000-~~
26 ~~2001~~, for 2001-2002, AND FOR 2002-2003 to support part of the cost
27 of summer institutes for gifted and talented students. This
28 amount shall be contracted to applicant intermediate districts in
29 cooperation with a local institution of higher education and shall

1 be coordinated by the department.

2 (3) From the appropriation in section 11, there is allocated
3 ~~an amount not to exceed \$5,000,000.00 for 2000-2001~~, an amount not
4 to exceed \$4,000,000.00 EACH FISCAL YEAR for 2001-2002, AND FOR
5 2002-2003 for the development and operation of comprehensive
6 programs for gifted and talented pupils. An eligible district or
7 consortium of districts shall receive an amount not to exceed
8 \$100.00 per K-12 pupil for up to 5% of the district's or
9 consortium's K-12 membership for the immediately preceding fiscal
10 year with a minimum total grant of \$6,000.00. Funding shall be
11 provided in the following order: the per pupil allotment, and then
12 the minimum total grant of \$6,000.00 to individual districts. An
13 intermediate district may act as the fiscal agent for a consortium
14 of districts. In order to be eligible for funding under this
15 subsection, the district or consortium of districts shall submit
16 each year a current 3-year plan for operating a comprehensive
17 program for gifted and talented pupils and the district or
18 consortium shall demonstrate to the department that the district
19 or consortium will contribute matching funds of at least \$50.00
20 per K-12 pupil. The plan or revised plan shall be developed in
21 accordance with criteria established by the department and shall
22 be submitted to the department for approval. Within the criteria,
23 the department shall encourage the development of consortia among
24 districts of less than 5,000 memberships.

25 Sec. 61a. (1) From the appropriation in section 11, there is
26 allocated an amount not to exceed \$31,027,600.00 each fiscal year
27 ~~for 2000-2001~~, for 2001-2002, AND FOR 2002-2003 to reimburse on an
28 added cost basis districts, except for a district that served as
29 the fiscal agent for a vocational education consortium in the

1 1993-94 school year, and secondary area vocational-technical
2 education centers for secondary-level vocational-technical
3 education programs, including parenthood education programs,
4 according to rules approved by the superintendent. Applications
5 for participation in the programs shall be submitted in the form
6 prescribed by the department. The department shall determine the
7 added cost for each vocational-technical program area. The
8 allocation of added cost funds shall be based on the type of
9 vocational-technical programs provided, the number of pupils
10 enrolled, and the length of the training period provided, and
11 shall not exceed 75% of the added cost of any program. With the
12 approval of the department, the board of a district maintaining a
13 secondary vocational-technical education program may offer the
14 program for the period from the close of the school year until
15 September 1. The program shall use existing facilities and shall
16 be operated as prescribed by rules promulgated by the
17 superintendent.

18 (2) Except for a district that served as the fiscal agent for
19 a vocational education consortium in the 1993-94 school year,
20 districts and intermediate districts shall be reimbursed for local
21 vocational administration, shared time vocational administration,
22 and career education planning district vocational-technical
23 administration. The definition of what constitutes administration
24 and reimbursement shall be pursuant to guidelines adopted by the
25 superintendent. Not more than \$800,000.00 of the allocation in
26 subsection (1) shall be distributed under this subsection.

27 (3) From the allocation in subsection (1), there is allocated
28 an amount not to exceed \$388,700.00 each fiscal year to
29 intermediate districts with constituent districts that had

1 combined state and local revenue per membership pupil in the 1994-
2 95 state fiscal year of \$6,500.00 or more, served as a fiscal
3 agent for a state board designated area vocational education
4 center in the 1993-94 school year, and had an adjustment made to
5 their 1994-95 combined state and local revenue per membership
6 pupil pursuant to section 20d. The payment under this subsection
7 to the intermediate district shall equal the amount of the
8 allocation to the intermediate district for 1996-97 under this
9 subsection.

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

11 (a) "Membership" means for a particular fiscal year the total
12 membership for the immediately preceding fiscal year of the
13 intermediate district and the districts constituent to the
14 intermediate district or the total membership for the immediately
15 preceding fiscal year of the area vocational-technical program.

16 (b) "Millage levied" means the millage levied for area
17 vocational-technical education pursuant to sections 681 to 690 of
18 the revised school code, MCL 380.681 to 380.690, including a levy
19 for debt service obligations incurred as the result of borrowing
20 for capital outlay projects and in meeting capital projects fund
21 requirements of area vocational-technical education.

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

1 come under sections 681 to 690 of the revised school code, MCL
2 380.681 to 380.690, shall be included in the membership and
3 taxable value of the intermediate district if the district meets
4 both of the following:

5 (i) The district operates the area vocational-technical
6 education program pursuant to a contract with the intermediate
7 district.

8 (ii) The district contributes an annual amount to the
9 operation of the program that is commensurate with the revenue
10 that would have been raised for operation of the program if
11 millage were levied in the district for the program under sections
12 681 to 690 of the revised school code, MCL 380.681 to 380.690.

13 (2) From the appropriation in section 11, there is allocated
14 an amount not to exceed \$9,810,000.00 EACH FISCAL YEAR ~~for 2000-~~
15 ~~2001, an amount not to exceed \$11,190,000.00 for 2001-2002, AND~~
16 FOR 2002-2003 to reimburse intermediate districts and area
17 vocational-technical education programs established under section
18 690(3) of the revised school code, MCL 380.690, levying millages
19 for area vocational-technical education pursuant to sections 681
20 to 690 of the revised school code, MCL 380.681 to 380.690. The
21 purpose, use, and expenditure of the reimbursement shall be
22 limited as if the funds were generated by those millages.

23 ~~(3) Reimbursement for the millages levied in 1999-2000 shall~~
24 ~~be made in 2000-2001 at an amount per 1999-2000 membership pupil~~
25 ~~computed by subtracting from \$114,300.00 the 1999-2000 taxable~~
26 ~~value behind each membership pupil, and multiplying the resulting~~
27 ~~difference by the 1999-2000 millage levied. Reimbursement for the~~
28 millages levied in 2000-2001 shall be made in 2001-2002 at an
29 amount per 2000-2001 membership pupil computed by subtracting from

1 ~~\$121,500.00~~ \$122,300.00 the 2000-2001 taxable value behind each
2 membership pupil, and multiplying the resulting difference by the
3 2000-2001 millage levied. Reimbursement for the millages levied in
4 2001-2002 shall be made in 2002-2003 at an amount per 2001-2002
5 membership pupil computed by subtracting from ~~\$127,600.00~~
6 \$130,100.00 the 2001-2002 taxable value behind each membership
7 pupil, and multiplying the resulting difference by the 2001-2002
8 millage levied.

9 ~~(4) From the allocation in subsection (2), there is allocated~~
10 ~~an amount not to exceed \$500,000.00 for 2000-2001, an amount not~~
11 ~~to exceed \$1,380,000.00 for 2001-2002, for payments to~~
12 ~~intermediate districts under this subsection that do not qualify~~
13 ~~for a payment under subsection (3) for reimbursement for changes~~
14 ~~as a result of revisions to the personal property tax depreciation~~
15 ~~tables. To receive a payment under this subsection, an~~
16 ~~intermediate district shall file a claim by July 1 of the fiscal~~
17 ~~year to the department, detailing the loss of revenue to the~~
18 ~~intermediate district's vocational education millage attributable~~
19 ~~to those revisions. The amount of the payment under this~~
20 ~~subsection to each intermediate district shall be an amount equal~~
21 ~~to the same proportion of the total amount of funding available~~
22 ~~under this subsection as the intermediate district's claim under~~
23 ~~this section bears to the total amount of claims under this~~
24 ~~subsection and, notwithstanding section 121, shall not be adjusted~~
25 ~~for prior year adjustments more than 2 years after the end of the~~
26 ~~state fiscal year for which payment under this subsection was~~
27 ~~made.~~

28 Sec. 67. (1) From the general fund appropriation in section
29 11, there is allocated an amount not to exceed \$350,000.00 each

1 fiscal year ~~for 2000-2001~~, for 2001-2002, AND FOR 2002-2003 for
2 Michigan career preparation system grants under this section.

3 (2) From the allocation in subsection (1), there is allocated
4 \$150,000.00 each fiscal year ~~for 2000-2001~~, for 2001-2002, AND FOR
5 2002-2003 to the department to identify uniform career competency
6 standards and assessments for career clusters, to establish a
7 statewide information system on current and anticipated employment
8 opportunities and the required level of skills and education
9 required for employment.

10 (3) From the allocation in subsection (1), there is allocated
11 \$100,000.00 each fiscal year ~~for 2000-2001~~, for 2001-2002, AND FOR
12 2002-2003 to the department to provide information to parents,
13 pupils, school personnel, employers, and others regarding
14 opportunities to receive integrated academic and technical
15 preparation in the public schools of this state.

16 (4) From the allocation in subsection (1), there is allocated
17 \$100,000.00 each fiscal year ~~for 2000-2001~~, for 2001-2002, AND FOR
18 2002-2003 to the department to provide technical assistance to
19 eligible education agencies and workforce development boards.

20 (5) As used in this section and in section 68:

21 (a) "Advanced career academy" means a career-technical
22 education program operated by a district, by an intermediate
23 district, or by a public school academy, that applies for and
24 receives advanced career academy designation from the department.
25 To receive this designation, a career-technical education program
26 shall meet criteria established by the department, which criteria
27 shall include at least all of the following:

28 (i) Operation of programs for those career clusters identified
29 by the department as being eligible for advanced career academy

1 status.

2 (ii) Involvement of employers in the design and implementation
3 of career-technical education programs.

4 (iii) A fully integrated program of academic and technical
5 education available to pupils.

6 (iv) Demonstration of an established career preparation system
7 resulting in industry-validated career ladders for graduates of
8 the program, including, but not limited to, written articulation
9 agreements with postsecondary institutions to allow pupils to
10 receive advanced college placement and credit or federally
11 registered apprenticeships, as applicable.

12 (b) "Career cluster" means a grouping of occupations from 1 or
13 more industries that share common skill requirements.

14 (c) "Career preparation system" is a system of programs and
15 strategies providing pupils with opportunities to prepare for
16 success in careers of their choice.

17 (d) "Department" means the department of career development.

18 (e) "Eligible education agency" means a district, intermediate
19 district, or advanced career academy that participates in an
20 approved regional career preparation plan.

21 (f) "FTE" means full-time equivalent pupil as determined by
22 the department.

23 (g) "Workforce development board" means a local workforce
24 development board established pursuant to the workforce investment
25 act of 1998, Public Law 105-220, 112 Stat. 936, and the school-to-
26 work opportunities act of 1994, Public Law 103-239, 108 Stat. 568,
27 or the equivalent.

28 (h) "Strategic plan" means a department-approved comprehensive
29 plan prepared by a workforce development board with input from

1 local representatives, including the education advisory group,
2 that includes career preparation system goals and objectives for
3 the region.

4 Sec. 68. (1) From the general fund appropriation in section
5 11, there is allocated an amount not to exceed \$21,850,000.00 each
6 fiscal year ~~for 2000-2001,~~ for 2001-2002, AND FOR 2002-2003 to be
7 used to implement the Michigan career preparation system in the
8 corresponding school years as provided under this section. In
9 order to receive funds under this section, an eligible education
10 agency shall be part of an approved regional career preparation
11 plan under subsection (2) and shall agree to expend the funds
12 required under this section in accordance with the regional career
13 preparation plan. Funds awarded under this section that are not
14 expended in accordance with this section may be recovered by the
15 department.

16 (2) In order to receive funding under this section, an
17 eligible education agency shall be a part of an approved 3-year
18 regional career preparation plan that is consistent with the
19 workforce development board's strategic plan and is as described
20 in this subsection. All of the following apply to a regional
21 career preparation plan:

22 (a) A 3-year regional career preparation plan shall be
23 developed under subdivisions (b), (c), and (d) for all public
24 education agencies participating as part of a regional career
25 preparation system within the geographical boundaries of a
26 workforce development board, and revised annually. If an
27 intermediate district is located within the geographical
28 boundaries of more than 1 workforce development board, the board
29 of the intermediate district shall choose 1 workforce development

1 board with which to align and shall notify the department of this
2 choice not later than October 31, 1997.

3 (b) The regional career preparation plan shall be developed by
4 representatives of the education advisory group of each workforce
5 development board in accordance with guidelines developed under
6 former section 67(5), and in accordance with subdivisions (d) and
7 (e). All of the following shall be represented on each education
8 advisory group: workforce development board members, other
9 employers, labor, districts, intermediate districts, postsecondary
10 institutions, career/technical educators, parents of public school
11 pupils, and academic educators. The representatives of districts,
12 intermediate districts, and postsecondary institutions appointed
13 to the education advisory group by the workforce development board
14 shall be individuals designated by the board of the district,
15 intermediate district, or postsecondary institution.

16 (c) By majority vote, the education advisory group may
17 nominate 1 education representative, who may or may not be a
18 member of the education advisory group, for appointment to the
19 workforce development board. This education representative shall
20 be in addition to existing education representation on the
21 workforce development board. This education representative shall
22 meet all workforce development board membership requirements.

23 (d) The components of the regional career preparation plan
24 shall include, but are not limited to, all of the following:

25 (i) The roles of districts, intermediate districts, advanced
26 career academies, postsecondary institutions, employers, labor
27 representatives, and others in the career preparation system.

28 (ii) Programs to be offered, including at least career
29 exploration activities, for middle school pupils.

1 (iii) Identification of integrated academic and technical
2 curriculum, including related professional development training
3 for teachers.

4 (iv) Identification of work-based learning opportunities for
5 pupils and for teachers and other school personnel.

6 (v) Identification of testing and assessments that will be
7 used to measure pupil achievement.

8 (vi) Identification of all federal, state, local, and private
9 sources of funding available for career preparation activities in
10 the region.

11 (e) The education advisory group shall develop a 3-year
12 regional career preparation plan consistent with the workforce
13 development board's strategic plan and submit the plan to the
14 department for final approval. The submission to the department
15 shall also include statements signed by the chair of the education
16 advisory group and the chair of the workforce development board
17 certifying that the plan has been reviewed by each entity. Upon
18 department approval, all eligible education agencies designated in
19 the regional career preparation plan as part of the career
20 preparation delivery system are eligible for funding under this
21 section.

22 (3) Funding under this section shall be distributed to
23 eligible education agencies for allowable costs defined in this
24 subsection and identified as necessary costs for implementing a
25 regional career preparation plan, as follows:

26 (a) For 2000-2001, the department shall rank all career
27 clusters, including career exploration, guidance, and counseling.
28 Rank determination will be based on median salary data in career
29 clusters and employment opportunity data provided by the council

1 for career preparation standards. In addition, rank determination
2 shall be based on placement data available for prior year
3 graduates of the programs in the career clusters either in related
4 careers or postsecondary education. The procedure for ranking of
5 career clusters shall be determined by the department.

6 (b) Allowable costs to be funded under this section shall be
7 determined by the department. Budgets submitted by eligible
8 education agencies to the department in order to receive funding
9 shall identify funds and in-kind contributions from the regional
10 career education plan, excluding funds or in-kind contributions
11 available as a result of funding received under section 61a, equal
12 to at least 100% of anticipated funding under this section.

13 Eligible categories of allowable costs are the following:

14 (i) Career exploration, guidance, and counseling.

15 (ii) Curriculum development, including integration of academic
16 and technical content, and professional development for teachers
17 directly related to career preparation.

18 (iii) Technology and equipment determined to be necessary.

19 (iv) Supplies and materials directly related to career
20 preparation programs.

21 (v) Work-based learning expenses for pupils, teachers, and
22 counselors.

23 (vi) Evaluation, including career competency testing and peer
24 review.

25 (vii) Career placement services.

26 (viii) Student leadership organizations integral to the career
27 preparation system.

28 (ix) Up to 10% of the allocation to an eligible education
29 agency may be expended for planning, coordination, direct

1 oversight, and accountability for the career preparation system.

2 (c) For 2000-2001, the department shall calculate career
3 preparation costs per FTE for each career cluster, including
4 career exploration, guidance, and counseling, by dividing the
5 allowable costs for each career cluster by the prior year FTE
6 enrollment for each career cluster. Distribution to eligible
7 education agencies shall be the product of 50% of career
8 preparation costs per FTE times the current year FTE enrollment of
9 each career cluster. This allocation shall be distributed to
10 eligible education agencies in decreasing order of the career
11 cluster ranking described in subdivision (a) until the money
12 allocated for grant recipients in this section is distributed.
13 Beginning in 2001-2002, funds shall be distributed to eligible
14 education agencies according to workforce development board
15 geographic area consistent with subsection (2)(a) based upon the
16 proportion of each workforce development board area's K-12 public
17 school membership to the total state K-12 public school
18 membership.

19 (4) The department shall establish a review procedure for
20 assessing the career preparation system in each region.

21 (5) An education advisory group is responsible for assuring
22 the quality of the career preparation system. An education
23 advisory group shall review the career preparation system in
24 accordance with evaluation criteria established by the department.

25 (6) An education advisory group shall report its findings and
26 recommendations for changes to the participating eligible
27 education agencies, the workforce development board, and the
28 department.

29 (7) The next revision of a regional career preparation plan

1 shall take into account the findings of the education advisory
2 group in accordance with evaluation criteria established by the
3 department in order for the affected education agencies to receive
4 continued funding under this section.

5 Sec. 74. (1) From the amount appropriated in section 11, there
6 is allocated an amount not to exceed \$1,625,000.00 each fiscal
7 year ~~for 2000-2001,~~ for 2001-2002, AND FOR 2002-2003 for the
8 purposes of subsections (2) and (3).

9 (2) From the allocation in subsection (1), there is allocated
10 each fiscal year the amount necessary for payments to state
11 supported colleges or universities and intermediate districts
12 providing school bus driver safety instruction or driver skills
13 road tests pursuant to sections 51 and 52 of the pupil
14 transportation act, 1990 PA 187, MCL 257.1851 and 257.1852. The
15 payments shall be in an amount determined by the department not to
16 exceed 75% of the actual cost of instruction and driver
17 compensation for each public or nonpublic school bus driver
18 attending a course of instruction. For the purpose of computing
19 compensation, the hourly rate allowed each school bus driver shall
20 not exceed the hourly rate received for driving a school bus.
21 Reimbursement compensating the driver during the course of
22 instruction or driver skills road tests shall be made by the
23 department to the college or university or intermediate district
24 providing the course of instruction.

25 (3) From the allocation in subsection (1), there is allocated
26 each fiscal year the amount necessary to pay the reasonable costs
27 of nonspecial education auxiliary services transportation provided
28 pursuant to section 1323 of the revised school code, MCL 380.1323.
29 Districts funded under this subsection shall not receive funding

1 under any other section of this act for nonspecial education
2 auxiliary services transportation.

3 Sec. 81. (1) Except as otherwise provided in this section,
4 from the appropriation in section 11, there is allocated each
5 fiscal year ~~for 2000-2001,~~ for 2001-2002, AND FOR 2002-2003 to the
6 intermediate districts the sum necessary, but not to exceed
7 ~~\$87,781,700.00 for 2000-2001, not to exceed~~ \$92,170,800.00 EACH
8 FISCAL YEAR ~~for 2001-2002,~~ to provide state aid to intermediate
9 districts under this section. ~~Except as otherwise provided in~~
10 ~~this section, there shall be allocated to each intermediate~~
11 ~~district for 2000-2001 an amount equal to 105.3% of the amount of~~
12 ~~funding actually received by the intermediate district under this~~
13 ~~subsection for 1999-2000.~~ Except as otherwise provided in this
14 section, there shall be allocated to each intermediate district
15 for 2001-2002 an amount equal to 105% of the amount of funding
16 actually received by the intermediate district under this
17 subsection for 2000-2001. EXCEPT AS OTHERWISE PROVIDED IN THIS
18 SECTION, THERE SHALL BE ALLOCATED TO EACH INTERMEDIATE DISTRICT
19 FOR 2002-2003 AN AMOUNT EQUAL TO THE FUNDING ACTUALLY RECEIVED BY
20 THE INTERMEDIATE DISTRICT UNDER THIS SUBSECTION FOR 2001-2002.
21 Funding provided under this section shall be used to comply with
22 requirements of this act and the revised school code that are
23 applicable to intermediate districts, and for which funding is not
24 provided elsewhere in this act, and to provide technical
25 assistance to districts as authorized by the intermediate school
26 board.

27 (2) From the allocation in subsection (1), there is allocated
28 to an intermediate district, formed by the consolidation or
29 annexation of 2 or more intermediate districts or the attachment

1 of a total intermediate district to another intermediate school
2 district or the annexation of all of the constituent K-12
3 districts of a previously existing intermediate school district
4 which has disorganized, an additional allotment of \$3,500.00 each
5 fiscal year for each intermediate district included in the new
6 intermediate district for 3 years following consolidation,
7 annexation, or attachment.

8 (3) If an intermediate district participated in 1993-94 in a
9 consortium operating a regional educational media center under
10 section 671 of the revised school code, MCL 380.671, and rules
11 promulgated by the superintendent, and if the intermediate
12 district obtains written consent from each of the other
13 intermediate districts that participated in the consortium in
14 1993-94, the intermediate district may notify the department not
15 later than December 30 of the current fiscal year that it is
16 electing to directly receive its payment attributable to
17 participation in that consortium. An intermediate district making
18 that election, and that has obtained the necessary consent, shall
19 receive each fiscal year ~~for 2000-2001,~~ for 2001-2002, OR FOR
20 2002-2003, as applicable, for each pupil in membership in the
21 intermediate district or a constituent district an amount equal to
22 the quotient of the 1993-94 allocation to the fiscal agent for
23 that consortium under former section 83, adjusted as determined by
24 the department to account for that election, divided by the
25 combined total membership for the current fiscal year in all of
26 the intermediate districts that participated in that consortium
27 and their constituent districts. The amount allocated to an
28 intermediate district under this subsection for a fiscal year
29 shall be deducted from the total allocation for that fiscal year

1 under this section to the intermediate district that was the 1993-
2 94 fiscal agent for the consortium.

3 (4) During a fiscal year, the department shall not increase an
4 intermediate district's allocation under subsection (1) because of
5 an adjustment made by the department during the fiscal year in the
6 intermediate district's taxable value for a prior year. Instead,
7 the department shall report the adjustment and the estimated
8 amount of the increase to the house and senate fiscal agencies and
9 the state budget director not later than June 1 of the fiscal
10 year, and the legislature shall appropriate money for the
11 adjustment in the next succeeding fiscal year.

12 ~~(5) From the appropriation in section 11, there is allocated~~
13 ~~an amount not to exceed \$320,000.00 for 2000-2001, an amount not~~
14 ~~to exceed \$890,000.00 for 2001-2002, for payments to intermediate~~
15 ~~districts under this subsection for reimbursement for changes as a~~
16 ~~result of revisions to the personal property tax depreciation~~
17 ~~tables. To receive a payment under this subsection, an~~
18 ~~intermediate district shall file a claim by July 1 of the fiscal~~
19 ~~year to the department, detailing the loss of revenue to the~~
20 ~~intermediate district's operational millage attributable to those~~
21 ~~revisions. The amount of the payment under this subsection to each~~
22 ~~intermediate district shall be an amount equal to the same~~
23 ~~proportion of the total amount of funding available under this~~
24 ~~subsection as the intermediate district's claim under this~~
25 ~~subsection bears to the total amount of the claims under this~~
26 ~~subsection and, notwithstanding section 121, shall not be adjusted~~
27 ~~for prior year adjustments more than 2 years after the end of the~~
28 ~~state fiscal year for which payment under this subsection was~~
29 ~~made.~~

1 (5) ~~(6)~~ In order to receive funding under this section, an
2 intermediate district shall demonstrate to the satisfaction of the
3 department that the intermediate district employs at least 1
4 person who is trained in pupil counting procedures, rules, and
5 regulations.

6 Sec. 94. From the general fund money appropriated in section
7 11, there is allocated to the department ~~an amount not to exceed~~
8 ~~\$3,000,000.00 for 2000-2001,~~ an amount not to exceed \$3,000,000.00
9 EACH FISCAL YEAR for 2001-2002, AND FOR 2002-2003 to provide
10 technical assistance to districts for school accreditation
11 purposes as described in section 1280 of the revised school code,
12 MCL 380.1280.

13 Sec. 94a. (1) From the general fund appropriation in section
14 11, there is allocated ~~an amount not to exceed \$2,160,000.00 for~~
15 ~~2000-2001,~~ an amount not to exceed \$2,332,000.00 for 2001-2002,
16 for payments to the center for educational performance and
17 information created pursuant to executive order, AND FROM THE
18 GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN
19 AMOUNT NOT TO EXCEED \$4,500,000.00 FOR 2002-2003 TO THE DEPARTMENT
20 TO SUPPORT THE COMPREHENSIVE COLLECTION, ANALYSIS, AND
21 DISSEMINATION OF K-12 EDUCATIONAL DATA, -

22 ~~(2) The goals of the center for educational performance and~~
23 ~~information~~ THE PURPOSE OF WHICH shall be to improve the quality
24 and quantity of educational data available to teachers, school
25 administrators, parents, taxpayers, and others.

26 ~~(3) A portion of the funds allocated under this section may be~~
27 ~~used for funding to districts to cover additional costs resulting~~
28 ~~from implementation of the center for educational performance and~~
29 ~~information.~~

1 (2) ~~(4)~~ Funds allocated under this section that are not
2 expended in the fiscal year in which they were allocated may be
3 carried forward to a subsequent fiscal year. From the funds
4 allocated for 1999-2000 that were carried forward under this
5 subsection, the center, OR THE DEPARTMENT, AS APPLICABLE, shall
6 pay districts grants for net costs incurred from 1998-1999 through
7 2002-2003 due to the implementation of the single record student
8 database. The center, OR THE DEPARTMENT, AS APPLICABLE, shall
9 also pay intermediate districts grants for net costs incurred from
10 1998-1999 through 2002-2003 due to the implementation of the
11 single record student database on behalf of constituent districts.
12 Net costs shall be determined and the amount of the grant
13 calculated in a manner determined by the center, OR THE
14 DEPARTMENT, AS APPLICABLE. Purposes for which the center, OR THE
15 DEPARTMENT, AS APPLICABLE, shall make grants to districts and
16 intermediate districts may include purchases of software to submit
17 data files to the Michigan education information system or new
18 student information management systems compatible with the single
19 record student database or costs associated with the development
20 of the single record student database. The district or
21 intermediate district shall provide written justification of these
22 net costs to the center for education performance and information,
23 OR THE DEPARTMENT, AS APPLICABLE. Purposes for which a grant is
24 made must be approved by the center, OR THE DEPARTMENT, AS
25 APPLICABLE. This reimbursement shall not exceed a total of \$2.00
26 per pupil for each district or intermediate district.

27 (3) AS USED IN THIS SECTION, "DEPARTMENT" MEANS THE DEPARTMENT
28 OF INFORMATION TECHNOLOGY.

29 Sec. 96. (1) From the state school aid fund money appropriated

1 in section 11, there is allocated an amount not to exceed
2 ~~\$8,000,000.00~~ \$0.00 each fiscal year for 1999-2000, for 2000-2001,
3 for 2001-2002, and ~~\$50,000.00~~ \$1,320,000.00 for 2002-2003 for
4 golden apple awards under this section. The awards shall be based
5 on elementary school achievement on the fourth grade and fifth
6 grade Michigan education assessment program (MEAP) tests.

7 (2) To be eligible for a golden apple award, an elementary
8 school shall have at least 50 pupils in membership, and shall meet
9 the following requirements:

10 ~~(a) For 1999-2000, at least 80% of the fourth and fifth grade~~
11 ~~pupils enrolled and in regular daily attendance in the school on~~
12 ~~the pupil membership count day in that school year took the~~
13 ~~applicable MEAP tests, and 1 or both of the following are met:~~

14 ~~(i) The composite score for the pupils in the school who took~~
15 ~~the applicable MEAP tests increased by at least 60 points over the~~
16 ~~2 consecutive school years immediately preceding the state fiscal~~
17 ~~year in which the award is given.~~

18 ~~(ii) The test scores for the pupils in the school who took the~~
19 ~~applicable MEAP tests are among the highest elementary school~~
20 ~~scores statewide, as determined by the department of treasury, for~~
21 ~~that school year.~~

22 ~~(b) Beginning in 2000-2001, at least 90% of the fourth and~~
23 ~~fifth grade pupils enrolled and in regular daily attendance in the~~
24 ~~school on the pupil membership count day in that school year took~~
25 ~~the applicable MEAP tests, and 1 or both of the following are met:~~

26 (A) ~~(i)~~ The composite score for the pupils in the school who
27 took the applicable MEAP tests increased by at least 60 points
28 over the 2 consecutive school years immediately preceding the
29 state fiscal year in which the award is given.

1 (B) ~~(ii)~~ The test scores for the pupils in the school who took
2 the applicable MEAP tests are among the highest elementary school
3 scores statewide, as determined by the department of treasury, for
4 that school year.

5 (3) A golden apple award under this section shall be allocated
6 to and used by a district exclusively for the purpose of
7 distributing funds to each eligible elementary school. ~~A golden
8 apple award shall consist of \$1,000.00 per each full-time employee
9 who works in the eligible elementary school plus \$10,000.00 to be
10 allocated to the principal of the school for school improvements,
11 but shall not be less than \$50,000.00 per recipient school.~~

12 BEGINNING IN 2002-2003, A GOLDEN APPLE AWARD SHALL BE \$10,000.00
13 TO BE ALLOCATED TO EACH ELIGIBLE ELEMENTARY SCHOOL. All money
14 allocated under this section ~~per full-time employee~~ shall be used
15 for school improvements, as determined collectively by a majority
16 vote of ~~those~~ THE FULL-TIME employees OF THE ELIGIBLE ELEMENTARY
17 SCHOOL.

18 ~~(4) Funds allocated under this section that are not expended
19 in the state fiscal year for which they were allocated may be
20 carried forward to a subsequent state fiscal year.~~

21 Sec. 98. (1) From the general fund money appropriated in
22 section 11, there is allocated ~~an amount not to exceed~~
23 ~~\$15,000,000.00 for 2000-2001, and~~ an amount not to exceed
24 \$1,500,000.00 each fiscal year for 2001-2002, AND FOR 2002-2003 to
25 the department to provide a grant each fiscal year to the Michigan
26 virtual university for the development, implementation, and
27 operation of the Michigan virtual high school.

28 (2) The Michigan virtual high school shall have the following
29 goals:

1 (a) Significantly expand curricular offerings for high schools
2 across this state through agreements with districts or licenses
3 from other recognized providers.

4 (b) Create statewide instructional models using interactive
5 multimedia tools delivered by electronic means, including, but not
6 limited to, the internet, digital broadcast, or satellite network,
7 for distributed learning at the high school level.

8 (c) Provide pupils with opportunities to develop skills and
9 competencies through on-line learning.

10 (d) Offer teachers opportunities to learn new skills and
11 strategies for developing and delivering instructional services.

12 (e) Accelerate this state's ability to respond to current and
13 emerging educational demands.

14 (f) Grant high school diplomas through a dual enrollment
15 method with districts.

16 (g) Act as a broker for college level equivalent courses, as
17 defined in section 1471 of the revised school code, MCL 380.1471,
18 and dual enrollment courses from postsecondary education
19 institutions.

20 (3) The Michigan virtual high school course offerings shall
21 include, but are not limited to, all of the following:

22 (a) Information technology courses.

23 (b) College level equivalent courses, as defined in section
24 1471 of the revised school code, MCL 380.1471.

25 (c) Courses and dual enrollment opportunities.

26 (d) Programs and services for at-risk pupils.

27 (e) General education development test preparation courses for
28 adjudicated youth.

29 (f) Special interest courses.

1 (g) Professional development programs and services for
2 teachers.

3 (4) Funds allocated under this section that are not expended
4 in the state fiscal year for which they were allocated may be
5 carried forward to a subsequent state fiscal year.

6 Sec. 99. (1) From the state school aid fund appropriation in
7 section 11, there is allocated ~~an amount not to exceed~~
8 ~~\$9,270,000.00 for 2000-2001,~~ an amount not to exceed \$9,684,300.00
9 EACH FISCAL YEAR for 2001-2002, AND FOR 2002-2003, and from the
10 general fund appropriation in section 11 there is allocated ~~an~~
11 ~~amount not to exceed \$475,100.00 for 2000-2001,~~ an amount not to
12 exceed \$548,000.00 EACH FISCAL YEAR for 2001-2002, AND FOR 2002-
13 2003 for implementing the comprehensive master plan for
14 mathematics and science centers developed by the department and
15 approved by the state board on February 17, 1993.

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

24 (3) The department shall not award a grant under this section
25 to more than 1 mathematics and science center located in a
26 particular intermediate district unless each of the grants serves
27 a distinct target population or provides a service that does not
28 duplicate another program in the intermediate district.

29 (4) As part of the technical assistance process, the

1 department shall provide minimum standard guidelines that may be
2 used by the mathematics and science center for providing fair
3 access for qualified pupils and professional staff as prescribed
4 in this section.

5 (5) Allocations under this section to support the activities
6 and programs of mathematics and science centers shall be
7 continuing support grants to all 25 established mathematics and
8 science centers and, subject to subsection (9), the 8 satellite
9 extensions that were funded in 1996-97. ~~Beginning in 2000-2001,~~
10 ~~each~~ EACH established mathematics and science center that was
11 funded in 1999-2000 shall receive an amount equal to 105.3% of the
12 amount it received under this section in 1999-2000.

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

18 (7) From the state school aid fund allocation under subsection
19 (1), there is allocated an amount not to exceed \$611,800.00 each
20 fiscal year for ~~2000-2001~~, 2001-2002, AND FOR 2002-2003 for
21 additional funding under this subsection for mathematics and
22 science centers that have come into compliance with the
23 comprehensive master plan described in subsection (1). These
24 amounts are in addition to the funding determined under subsection
25 (5) and are as follows for each of those fiscal years:

26 (a) \$68,000.00 each to the central Michigan science,
27 mathematics, and technology center; the Hillsdale-Lenawee-Monroe
28 mathematics and science center; the St. Clair mathematics,
29 science, and technology network; the Saginaw valley state

1 university regional center; the Genesee area mathematics, science,
2 and technology center; the Grand Traverse area regional
3 mathematics, science, and technology center; and the
4 Livingston/Washtenaw mathematics and science center.

5 (b) \$85,000.00 to the Grand valley state university regional
6 mathematics and science center.

7 (c) \$50,800.00 to the Seaborg center at Northern Michigan
8 university.

9 (8) Not later than June 30, 2000, the department shall
10 reevaluate and update the comprehensive master plan described in
11 subsection (1), including any recommendations for upgrading
12 satellite extensions to full centers.

13 (9) During the course of the 2000-2001 and 2001-2002 fiscal
14 years, the department shall facilitate the conversion of the 8
15 existing satellite extensions to full mathematics and science
16 centers. To this end, in 2000-2001 the department shall provide 4
17 satellite extensions, as selected by the department, with
18 applications for conversion to full centers, and in 2001-2002 the
19 department shall provide the remaining 4 satellite extensions with
20 applications for conversion. The department shall provide the
21 applications not later than October 15 of the applicable fiscal
22 year; a satellite extension shall submit the application and a
23 detail plan as prescribed by the department not later than
24 November 15 of the applicable fiscal year; and the department
25 shall review the applications and plans and notify the satellite
26 extensions of their status not later than December 1 of the
27 applicable fiscal year. The allocations under this section are
28 sufficient to fund the conversion of the satellite extensions to
29 full centers and to fund them as full centers.

1 SEC. 99A. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
2 ALLOCATED FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$3,180,000.00 FOR
3 GRANTS TO INTERMEDIATE DISTRICTS AND DISTRICTS FOR SCHOOL HEALTH
4 EDUCATION CURRICULUM. THE CURRICULUM PROVIDED, SUCH AS THE
5 MICHIGAN MODEL OR ANOTHER COMPREHENSIVE SCHOOL HEALTH CURRICULUM,
6 SHALL BE IN ACCORDANCE WITH THE HEALTH EDUCATION GOALS ESTABLISHED
7 BY THE MICHIGAN MODEL FOR THE COMPREHENSIVE SCHOOL HEALTH
8 EDUCATION STEERING COMMITTEE. THE STATE STEERING COMMITTEE SHALL
9 BE COMPRISED OF A REPRESENTATIVE FROM EACH OF THE FOLLOWING

10 OFFICES AND DEPARTMENTS:

11 (A) THE DEPARTMENT.

12 (B) THE DEPARTMENT OF COMMUNITY HEALTH.

13 (C) THE HEALTH ADMINISTRATION IN THE DEPARTMENT OF COMMUNITY
14 HEALTH.

15 (D) THE BUREAU OF MENTAL AND SUBSTANCE ABUSE SERVICES IN THE
16 DEPARTMENT OF COMMUNITY HEALTH.

17 (E) THE FAMILY INDEPENDENCE AGENCY.

18 (F) THE DEPARTMENT OF STATE POLICE.

19 (2) UPON WRITTEN OR ORAL REQUEST, A PUPIL NOT LESS THAN 18
20 YEARS OF AGE OR A PARENT OR LEGAL GUARDIAN OF A PUPIL LESS THAN 18
21 YEARS OF AGE, WITHIN A REASONABLE PERIOD OF TIME AFTER THE REQUEST
22 IS MADE, SHALL BE INFORMED OF THE CONTENT OF A COURSE IN THE
23 HEALTH EDUCATION CURRICULUM AND MAY EXAMINE TEXTBOOKS AND OTHER
24 CLASSROOM MATERIALS THAT ARE PROVIDED TO THE PUPIL OR MATERIALS
25 THAT ARE PRESENTED TO THE PUPIL IN THE CLASSROOM. THIS SUBSECTION
26 DOES NOT REQUIRE A BOARD TO PERMIT PUPIL OR PARENTAL EXAMINATION
27 OF TEST QUESTIONS AND ANSWERS, SCORING KEYS, OR OTHER EXAMINATION
28 INSTRUMENTS OR DATA USED TO ADMINISTER AN ACADEMIC EXAMINATION.

29 Sec. 105. (1) In order to avoid a penalty under this section,

1 and in order to count a nonresident pupil residing within the same
2 intermediate district in membership without the approval of the
3 pupil's district of residence, a district shall comply with this
4 section.

5 (2) Except as otherwise provided in this section, a district
6 shall determine whether or not it will accept applications for
7 enrollment by nonresident applicants residing within the same
8 intermediate district for the next school year. If the district
9 determines to accept applications for enrollment of a number of
10 nonresidents, beyond those entitled to preference under this
11 section, the district shall use the following procedures for
12 accepting applications from and enrolling nonresidents:

13 (a) The district shall publish the grades, schools, and
14 special programs, if any, for which enrollment may be available
15 to, and for which applications will be accepted from, nonresident
16 applicants residing within the same intermediate district.

17 (b) If the district has a limited number of positions
18 available for nonresidents residing within the same intermediate
19 district in a grade, school, or program, all of the following
20 apply to accepting applications for and enrollment of nonresidents
21 in that grade, school, or program:

22 (i) The district shall do all of the following not later than
23 the second Friday in August:

24 (A) Provide notice to the general public that applications
25 will be taken for a 15-day period from nonresidents residing
26 within the same intermediate district for enrollment in that
27 grade, school, or program. The notice shall identify the 15-day
28 period and the place and manner for submitting applications.

29 (B) During the application period under sub-subparagraph (A),

1 accept applications from nonresidents residing within the same
2 intermediate district for enrollment in that grade, school, or
3 program.

4 (C) Within 15 days after the end of the application period
5 under sub-subparagraph (A), using the procedures and preferences
6 required under this section, determine which nonresident
7 applicants will be allowed to enroll in that grade, school, or
8 program, using the random draw system required under subsection
9 (13) as necessary, and notify the parent or legal guardian of each
10 nonresident applicant of whether or not the applicant may enroll
11 in the district. The notification to parents or legal guardians
12 of nonresident applicants accepted for enrollment shall contain
13 notification of the date by which the applicant must enroll in the
14 district and procedures for enrollment.

15 (ii) Beginning on the third Monday in August and not later
16 than the end of the first week of school, if any positions become
17 available in a grade, school, or program due to accepted
18 applicants failing to enroll or to more positions being added, the
19 district may enroll nonresident applicants from the waiting list
20 maintained under subsection (13), offering enrollment in the order
21 that applicants appear on the waiting list. If there are still
22 positions available after enrolling all applicants from the
23 waiting list who desire to enroll, the district may not fill those
24 positions until the second semester enrollment under subsection
25 (3), as provided under that subsection, or until the next school
26 year.

27 (c) For a grade, school, or program that has an unlimited
28 number of positions available for nonresidents residing within the
29 same intermediate district, all of the following apply to

1 enrollment of nonresidents in that grade, school, or program:

2 (i) The district may accept applications for enrollment in
3 that grade, school, or program, and may enroll nonresidents
4 residing within the same intermediate district in that grade,
5 school, or program, until the end of the first week of school. The
6 district shall provide notice to the general public of the place
7 and manner for submitting applications and, if the district has a
8 limited application period, the notice shall include the dates of
9 the application period. The application period shall be at least
10 a 15-day period.

11 (ii) Not later than the end of the first week of school, the
12 district shall notify the parent or legal guardian of each
13 nonresident applicant who is accepted for enrollment that the
14 applicant has been accepted for enrollment in the grade, school,
15 or program and of the date by which the applicant must enroll in
16 the district and the procedures for enrollment.

17 (3) If a district determines during the first semester of a
18 school year that it has positions available for enrollment of a
19 number of nonresidents residing within the same intermediate
20 district, beyond those entitled to preference under this section,
21 for the second semester of the school year, the district may
22 accept applications from and enroll nonresidents residing within
23 the same intermediate district for the second semester using the
24 following procedures:

25 (a) Not later than 2 weeks before the end of the first
26 semester, the district shall publish the grades, schools, and
27 special programs, if any, for which enrollment for the second
28 semester may be available to, and for which applications will be
29 accepted from, nonresident applicants residing within the same

1 intermediate district.

2 (b) During the last 2 weeks of the first semester, the
3 district shall accept applications from nonresidents residing
4 within the same intermediate district for enrollment for the
5 second semester in the available grades, schools, and programs.

6 (c) By the beginning of the second semester, using the
7 procedures and preferences required under this section, the
8 district shall determine which nonresident applicants will be
9 allowed to enroll in the district for the second semester and
10 notify the parent or legal guardian of each nonresident applicant
11 residing within the same intermediate district of whether or not
12 the applicant may enroll in the district. The notification to
13 parents or legal guardians of nonresident applicants accepted for
14 enrollment shall contain notification of the date by which the
15 applicant must enroll in the district and procedures for
16 enrollment.

17 (4) If deadlines similar to those described in subsection (2)
18 or (3) have been established in an intermediate district, and if
19 those deadlines are not later than the deadlines under subsection
20 (2) or (3), the districts within the intermediate district may use
21 those deadlines.

22 (5) A district offering to enroll nonresident applicants
23 residing within the same intermediate district may limit the
24 number of nonresident pupils it accepts in a grade, school, or
25 program, at its discretion, and may use that limit as the reason
26 for refusal to enroll an applicant.

27 (6) A nonresident applicant residing within the same
28 intermediate district shall not be granted or refused enrollment
29 based on intellectual, academic, artistic, or other ability,

1 talent, or accomplishment, or lack thereof, or based on a mental
2 or physical disability, except that a district may refuse to admit
3 a nonresident applicant if the applicant does not meet the same
4 criteria, other than residence, that an applicant who is a
5 resident of the district must meet to be accepted for enrollment
6 in a grade or a specialized, magnet, or intra-district choice
7 school or program to which the applicant applies.

8 (7) A nonresident applicant residing within the same
9 intermediate district shall not be granted or refused enrollment
10 based on age, except that a district may refuse to admit a
11 nonresident applicant applying for a program that is not
12 appropriate for the age of the applicant.

13 (8) A nonresident applicant residing within the same
14 intermediate district shall not be granted or refused enrollment
15 based upon religion, race, color, national origin, sex, height,
16 weight, marital status, or athletic ability, or, generally, in
17 violation of any state or federal law prohibiting discrimination.

18 (9) A district may refuse to enroll a nonresident applicant if
19 the applicant is, or has been within the preceding 2 years,
20 suspended from another school or if the applicant has ever been
21 expelled from another school.

22 (10) A district shall continue to allow a pupil who was
23 enrolled in and attended the district under this section in the
24 school year or semester immediately preceding the school year or
25 semester in question to enroll in the district until the pupil
26 graduates from high school. This subsection does not prohibit a
27 district from expelling a pupil described in this subsection for
28 disciplinary reasons.

29 (11) A district shall give preference for enrollment under

1 this section over all other nonresident applicants residing within
2 the same intermediate district to other school-age children who
3 reside in the same household as a pupil described in subsection
4 (10).

5 (12) If a nonresident pupil was enrolled in and attending
6 school in a district as a nonresident pupil in the 1995-96 school
7 year and continues to be enrolled continuously each school year in
8 that district, the district shall allow that nonresident pupil to
9 continue to enroll in and attend school in the district until high
10 school graduation, without requiring the nonresident pupil to
11 apply for enrollment under this section. This subsection does not
12 prohibit a district from expelling a pupil described in this
13 subsection for disciplinary reasons.

14 (13) If the number of qualified nonresident applicants
15 eligible for acceptance in a school, grade, or program does not
16 exceed the positions available for nonresident pupils in the
17 school, grade, or program, the school district shall accept for
18 enrollment all of the qualified nonresident applicants eligible
19 for acceptance. If the number of qualified nonresident applicants
20 residing within the same intermediate district eligible for
21 acceptance exceeds the positions available in a grade, school, or
22 program in a district for nonresident pupils, the district shall
23 use a random draw system, subject to the need to abide by state
24 and federal antidiscrimination laws and court orders and subject
25 to preferences allowed by this section. The district shall
26 develop and maintain a waiting list based on the order in which
27 nonresident applicants were drawn under this random draw system.

28 (14) If a district, or the nonresident applicant, requests the
29 district in which a nonresident applicant resides to supply

1 information needed by the district for evaluating the applicant's
2 application for enrollment or for enrolling the applicant, the
3 district of residence shall provide that information on a timely
4 basis.

5 (15) If a district is subject to a court-ordered desegregation
6 plan, and if the court issues an order prohibiting pupils residing
7 in that district from enrolling in another district or prohibiting
8 pupils residing in another district from enrolling in that
9 district, this section is subject to the court order.

10 (16) This section does not require a district to provide
11 transportation for a nonresident pupil enrolled in the district
12 under this section or for a resident pupil enrolled in another
13 district under this section. However, at the time a nonresident
14 pupil enrolls in the district, a district shall provide to the
15 pupil's parent or legal guardian information on available
16 transportation to and from the school in which the pupil enrolls.

17 ~~(17) If, in a particular state fiscal year, the total number~~
18 ~~of pupils enrolled and counted in membership in a district is less~~
19 ~~than 90% of the total number of pupils residing in the district~~
20 ~~who are enrolled and counted in membership in either that district~~
21 ~~or 1 or more other districts, the total amount of money allocated~~
22 ~~to that district under section 20 shall be adjusted so that the~~
23 ~~district receives a total allocation under section 20 equal to the~~
24 ~~amount the district would receive under section 20 if exactly 90%~~
25 ~~of the pupils residing in the district who are enrolled and~~
26 ~~counted in either that district or 1 or more other districts were~~
27 ~~enrolled and counted in membership in that district.~~

28 (17) ~~(18)~~ A district may participate in a cooperative
29 education program with 1 or more other districts or intermediate

1 districts whether or not the district enrolls any nonresidents
2 pursuant to this section.

3 (18) ~~(19)~~ A district that, pursuant to this section, enrolls a
4 nonresident pupil who is eligible for special education programs
5 and services according to statute or rule, or who is a child with
6 disabilities, as defined under the individuals with disabilities
7 education act, title VI of Public Law 91-230, shall be considered
8 to be the resident district of the pupil for the purpose of
9 providing the pupil with a free appropriate public education.
10 Consistent with state and federal law, that district is
11 responsible for developing and implementing an individualized
12 education plan annually for a nonresident pupil described in this
13 subsection.

14 (19) ~~(20)~~ If a district does not comply with this section, the
15 district forfeits 5% of the total state school aid allocation to
16 the district under this act.

17 (20) ~~(21)~~ Upon application by a district, the superintendent
18 may grant a waiver for the district from a specific requirement
19 under this section for not more than 1 year.

20 Sec. 107. (1) From the appropriation in section 11, there is
21 allocated ~~an amount not to exceed \$80,000,000.00 for 2000-2001 and~~
22 ~~an amount not to exceed \$75,000,000.00 each fiscal year for 2001-~~
23 ~~2002 AND AN AMOUNT NOT TO EXCEED \$74,800,000.00 FOR 2002-2003 for~~
24 ~~adult education programs authorized under this section, AND FROM~~
25 ~~THE GENERAL FUND APPROPRIATION UNDER SECTION 11, THERE IS~~
26 ~~ALLOCATED AN AMOUNT NOT TO EXCEED \$200,000.00 FOR 2002-2003 TO THE~~
27 ~~DEPARTMENT FOR ADMINISTRATION OF ADULT EDUCATION PROGRAMS.~~

28 (2) To be eligible to be a participant funded under this
29 section, a person shall be enrolled in an adult basic education

1 program, an adult English as a second language program, a general
2 education development (G.E.D.) test preparation program, a job or
3 employment related program, or a high school completion program,
4 that meets the requirements of this section, and shall meet either
5 of the following, as applicable:

6 (a) If the individual has obtained a high school diploma or a
7 general education development (G.E.D.) certificate, the individual
8 meets 1 of the following:

9 (i) Is less than 20 years of age on September 1 of the school
10 year and is enrolled in the state technical institute and
11 rehabilitation center.

12 (ii) Is less than 20 years of age on September 1 of the school
13 year, is not attending an institution of higher education, and is
14 enrolled in a job or employment-related program through a referral
15 by an employer.

16 (iii) Is enrolled in an English as a second language program.

17 (iv) Is enrolled in a high school completion program.

18 (b) If the individual has not obtained a high school diploma
19 or G.E.D. certificate, is at least 20 years of age on September 1
20 of the school year.

21 (3) The amount allocated under subsection (1) shall be
22 distributed as follows:

23 (a) For districts and consortia that received payments for
24 1995-96 under former section 107f and that received payments for
25 1996-97 under subsection (4) of this section as in effect in 1996-
26 97, the amount allocated to each ~~for 2000-2001~~, for 2001-2002, AND
27 FOR 2002-2003 shall be an amount each fiscal year equal to 36.76%
28 of the amount the district or consortium received for 1995-96
29 under former section 107f.

1 (b) For districts and consortia that received payments under
2 subsection (3) of this section as in effect for 1996-97, the
3 amount allocated to each ~~for 2000-2001~~, for 2001-2002, AND FOR
4 2002-2003 shall be an amount each fiscal year equal to the product
5 of the number of full-time equated participants actually enrolled
6 and in attendance during the 1996-97 school fiscal year in the
7 program funded under subsection (3) of this section as in effect
8 for 1996-97 as reported to the department, audited, and adjusted
9 according to subsection (10) of this section as in effect for
10 1996-97, multiplied by \$2,750.00.

11 (c) For districts and consortia that meet the conditions of
12 both subdivisions (a) and (b), the amount allocated each fiscal
13 year ~~for 2000-2001~~, for 2001-2002, and for 2002-2003 shall be the
14 sum of the allocations to the district or consortium under
15 subdivisions (a) and (b).

16 (d) A district or consortium that received funding in 1996-97
17 under this section as in effect for 1996-97 may operate
18 independently of a consortium or join or form a consortium ~~for~~
19 ~~2000-2001~~, for 2001-2002, or for 2002-2003. The allocation ~~for~~
20 ~~2000-2001~~, for 2001-2002, or for 2002-2003 to the district or the
21 newly formed consortium under this subsection shall be determined
22 by the department and shall be based on the proportion of the
23 amounts specified in subdivision (a) or (b), or both, that are
24 attributable to the district or consortium that received funding
25 in 1996-97. A district or consortium described in this
26 subdivision shall notify the department of its intention with
27 regard to ~~2000-2001~~, 2001-2002, or 2002-2003 by October 1 of the
28 affected fiscal year.

29 (4) A district that operated an adult education program in

1 1996-97 and does not intend to operate a program in ~~2000-2001~~,
2 2001-2002, or 2002-2003 shall notify the department by October 1
3 of the affected fiscal year of its intention. The funds intended
4 to be allocated under this section to a district that does not
5 operate a program in ~~2000-2001~~, 2001-2002, or 2002-2003 and the
6 unspent funds originally allocated under this section to a
7 district or consortium that subsequently operates a program at
8 less than the level of funding allocated under subsection (3)
9 shall instead be proportionately reallocated to the other
10 districts described in subsection (3)(a) that are operating an
11 adult education program in ~~2000-2001~~, 2001-2002, or 2002-2003
12 under this section.

13 (5) The amount allocated under this section per full-time
14 equated participant is \$2,850.00 for a 450-hour program. The
15 amount shall be proportionately reduced for a program offering
16 less than 450 hours of instruction.

17 (6) An adult basic education program or an adult English as a
18 second language program operated on a year-round or school year
19 basis may be funded under this section, subject to all of the
20 following:

21 (a) The program enrolls adults who are determined by an
22 appropriate assessment to be below ninth grade level in reading or
23 mathematics, or both, or to lack basic English proficiency.

24 (b) The program tests individuals for eligibility under
25 subdivision (a) before enrollment and tests participants to
26 determine progress after every 90 hours of attendance, using
27 assessment instruments approved by the department.

28 (c) A participant in an adult basic education program is
29 eligible for reimbursement until 1 of the following occurs:

1 (i) The participant's reading and mathematics proficiency are
2 assessed at or above the ninth grade level.

3 (ii) The participant fails to show progress on 2 successive
4 assessments after having completed at least 450 hours of
5 instruction.

6 (d) A funding recipient enrolling a participant in an English
7 as a second language program is eligible for funding according to
8 subsection (10) until the participant meets 1 of the following:

9 (i) The participant is assessed as having attained basic
10 English proficiency.

11 (ii) The participant fails to show progress on 2 successive
12 assessments after having completed at least 450 hours of
13 instruction. The department shall provide information to a
14 funding recipient regarding appropriate assessment instruments for
15 this program.

16 (7) A general education development (G.E.D.) test preparation
17 program operated on a year-round or school year basis may be
18 funded under this section, subject to all of the following:

19 (a) The program enrolls adults who do not have a high school
20 diploma.

21 (b) The program shall administer a G.E.D. pre-test approved by
22 the department before enrolling an individual to determine the
23 individual's potential for success on the G.E.D. test, and shall
24 administer other tests after every 90 hours of attendance to
25 determine a participant's readiness to take the G.E.D. test.

26 (c) A funding recipient shall receive funding according to
27 subsection (10) for a participant, and a participant may be
28 enrolled in the program until 1 of the following occurs:

29 (i) The participant passes the G.E.D. test.

1 (ii) The participant fails to show progress on 2 successive
2 tests used to determine readiness to take the G.E.D. test after
3 having completed at least 450 hours of instruction.

4 (8) A high school completion program operated on a year-round
5 or school year basis may be funded under this section, subject to
6 all of the following:

7 (a) The program enrolls adults who do not have a high school
8 diploma.

9 (b) A funding recipient shall receive funding according to
10 subsection (10) for a participant in a course offered under this
11 subsection until 1 of the following occurs:

12 (i) The participant passes the course and earns a high school
13 diploma.

14 (ii) The participant fails to earn credit in 2 successive
15 semesters or terms in which the participant is enrolled after
16 having completed at least 900 hours of instruction.

17 (9) A job or employment-related adult education program
18 operated on a year-round or school year basis may be funded under
19 this section, subject to all of the following:

20 (a) The program enrolls adults referred by their employer who
21 are less than 20 years of age, have a high school diploma, are
22 determined to be in need of remedial mathematics or communication
23 arts skills and are not attending an institution of higher
24 education.

25 (b) An individual may be enrolled in this program and the
26 grant recipient shall receive funding according to subsection (10)
27 until 1 of the following occurs:

28 (i) The individual achieves the requisite skills as determined
29 by appropriate assessment instruments administered at least after

1 every 90 hours of attendance.

2 (ii) The individual fails to show progress on 2 successive
3 assessments after having completed at least 450 hours of
4 instruction. The department shall provide information to a funding
5 recipient regarding appropriate assessment instruments for this
6 program.

7 (10) A funding recipient shall receive payments under this
8 section in accordance with the following:

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

10 (b) Ten percent for completion of the adult basic education
11 objectives by achieving an increase of at least 1 grade level of
12 proficiency in reading or mathematics; for achieving basic English
13 proficiency; for passage of the G.E.D. test; for passage of a
14 course required for a participant to attain a high school diploma;
15 or for completion of the course and demonstrated proficiency in
16 the academic skills to be learned in the course, as applicable.

17 (11) As used in this section, "participant" means the sum of
18 the number of full-time equated individuals enrolled in and
19 attending a department-approved adult education program under this
20 section, using quarterly participant count days on the schedule
21 described in section 6(7)(b).

22 (12) A person who is not eligible to be a participant funded
23 under this section may receive adult education services upon the
24 payment of tuition. In addition, a person who is not eligible to
25 be served in a program under this section due to the program
26 limitations specified in subsection (6), (7), (8), or (9) may
27 continue to receive adult education services in that program upon
28 the payment of tuition. The tuition level shall be determined by
29 the local or intermediate district conducting the program.

1 (13) An individual who is an inmate in a state correctional
2 facility shall not be counted as a participant under this section.

3 (14) A district shall not commingle money received under this
4 section or from another source for adult education purposes with
5 any other funds of the district. A district receiving adult
6 education funds shall establish a separate ledger account for
7 those funds. This subsection does not prohibit a district from
8 using general funds of the district to support an adult education
9 or community education program.

10 ~~(15) The department shall work with the department of~~
11 ~~education to ensure that this section is administered in the same~~
12 ~~manner as in 1998-99.~~

13 (15) ~~(16)~~ As used in this section and section 108,
14 "department" means the department of career development.

15 Sec. 108. (1) From the general fund appropriation in section
16 11, there is allocated for ~~2000-2001~~, 2001-2002, and 2002-2003 an
17 amount not to exceed \$20,000,000.00 each fiscal year for
18 partnership for adult learning programs authorized under this
19 section.

20 (2) To be eligible to be enrolled as a participant in an adult
21 learning program funded under this section, a person shall be at
22 least 16 years of age as of September 1 of the immediately
23 preceding state fiscal year and shall meet the following, as
24 applicable:

25 (a) If the individual has obtained a high school diploma or a
26 general education development (G.E.D.) certificate, the individual
27 is determined to have English language proficiency, reading,
28 writing, or math skills below workforce readiness standards as
29 determined by department-approved tests and is not enrolled in a

1 postsecondary institution. An individual who has obtained a high
2 school diploma is not eligible for enrollment in a G.E.D. test
3 preparation program funded under this section.

4 (b) If the individual has not obtained a high school diploma
5 or a G.E.D. certificate, the individual has not attended a
6 secondary institution for at least 6 months before enrollment in
7 an adult learning program funded under this section and is not
8 enrolled in a postsecondary institution.

9 (3) From the allocation under subsection (1), an amount not to
10 exceed \$19,800,000.00 is allocated each fiscal year ~~for 2000-2001,~~
11 ~~for 2001-2002,~~ and for 2002-2003 to local workforce development
12 boards for the purpose of providing regional adult learning
13 programs. An application for a grant under this subsection shall
14 be in the form and manner prescribed by the department. Subject
15 to subsections (4), (5), and (6), the amount allocated to each
16 local workforce development board shall be as provided in this
17 subsection, except that an eligible local workforce development
18 board shall not receive an initial allocation under this section
19 that is less than \$70,000.00. The maximum amount of a grant
20 awarded to an eligible local workforce development board shall be
21 the sum of the following components:

22 (a) Thirty-four percent of the allocation under this
23 subsection multiplied by the proportion of the family independence
24 agency caseload in the local workforce development board region to
25 the statewide family independence agency caseload.

26 (b) Thirty-three percent of the allocation under this
27 subsection multiplied by the proportion of the number of persons
28 in the local workforce development board region over age 17 who
29 have not received a high school diploma compared to the statewide

1 total of persons over age 17 who have not received a high school
2 diploma.

3 (c) Thirty-three percent of the allocation under this
4 subsection multiplied by the proportion of the number of persons
5 in the local workforce development board region over age 17 for
6 whom English is not a primary language compared to the statewide
7 total of persons over age 17 for whom English is not a primary
8 language.

9 (4) The amount of a grant to a local workforce development
10 board under subsection (3) shall not exceed the cost for adult
11 learning programs needed in the local workforce development board
12 region, as documented in a manner approved by the department.

13 (5) Not more than 9% of a grant awarded to a local workforce
14 development board may be used for program administration,
15 including contracting for the provision of career and educational
16 information, counseling services, and assessment services.

17 (6) In order to receive funds under this section, a local
18 workforce development board shall comply with the following
19 requirements in a manner approved by the department:

20 (a) The local workforce development board shall document the
21 need for adult learning programs in the local workforce
22 development region.

23 (b) The local workforce development board shall report
24 participant outcomes and other measurements of program
25 performance.

26 (c) The local workforce development board shall develop a
27 strategic plan that incorporates adult learning programs in the
28 region. ~~Beginning in 2001-2002, a~~ A local workforce development
29 board is not eligible for state funds under this section without a

1 department-approved strategic plan.

2 (d) The local workforce development board shall furnish to the
3 department, in a form and manner determined by the department, the
4 information the department determines is necessary to administer
5 this section.

6 (e) The local workforce development board shall allow access
7 for the department or the department's designee to audit all
8 records related to adult learning programs for which it receives
9 funds. The local workforce development board shall reimburse this
10 state for all disallowances found in the audit in a manner
11 determined by the department.

12 (7) Local workforce development boards shall distribute funds
13 to eligible adult learning providers as follows:

14 (a) Not less than 85% of a grant award shall be used to
15 support programs that improve reading, writing, and math skills to
16 workforce readiness standards; English as a second language
17 programs; G.E.D. preparation programs; high school completion
18 programs; or workforce readiness programs in the local workforce
19 development board region. These programs may include the
20 provision of career and educational information, counseling
21 services, and assessment services.

22 (b) Up to 15% of a grant award may be used to support
23 workforce readiness programs for employers in the local workforce
24 development board region as approved by the department. Employers
25 or consortia of employers whose employees participate in these
26 programs must provide matching funds in a ratio of at least \$1.00
27 of private funds for each \$1.00 of state funds.

28 (8) Local workforce development boards shall award competitive
29 grants to eligible adult learning providers for the purpose of

1 providing adult learning programs in the local workforce
2 development board region. Applications shall be in a form and
3 manner prescribed by the department. In awarding grants, local
4 workforce development boards shall consider all of the following:

5 (a) The ability of the provider to assess individuals before
6 enrollment using department-approved assessment tools and to
7 develop individual adult learner plans from those assessments for
8 each participant.

9 (b) The ability of the provider to conduct continuing
10 assessments in a manner approved by the department to determine
11 participant progress toward achieving the goals established in
12 individual adult learner plans.

13 (c) The past effectiveness of an eligible provider in
14 improving adult literacy skills and, ~~beginning in 2001-2002,~~ the
15 success of an eligible provider in meeting or exceeding
16 department-approved performance measures.

17 (d) Whether the program is of sufficient intensity and
18 duration for participants to achieve substantial learning gains.

19 (e) Whether the program uses research-based instructional
20 practices that have proven to be effective in teaching adult
21 learners.

22 (f) Whether the program uses advances in technology, as
23 appropriate, including computers.

24 (g) Whether the programs are staffed by well-trained teachers,
25 counselors, and administrators.

26 (h) Whether the activities coordinate with other available
27 resources in the community, such as schools, postsecondary
28 institutions, job training programs, and social service agencies.

29 (i) Whether the provider offers flexible schedules and support

1 services, such as child care and transportation, that enable
2 participants, including individuals with disabilities or other
3 special needs, to attend and complete programs.

4 (j) Whether the provider offers adequate job and postsecondary
5 education counseling services.

6 (k) Whether the provider can maintain an information
7 management system that has the capacity to report participant
8 outcomes and monitor program performance against department-
9 approved performance measures.

10 (l) Whether the provider will allow access for the local
11 workforce development board or its designee to audit all records
12 related to adult learning programs for which it receives funds.
13 The adult learning provider shall reimburse the local workforce
14 development board for all disallowances found in the audit.

15 (m) The cost per participant contact hour or unit of
16 measurable outcome for each type of adult learning program for
17 which the provider is applying.

18 (9) ~~Beginning in 2001-2002, contracts~~ CONTRACTS awarded by
19 local workforce development boards to adult learning providers
20 shall comply with the priorities established in a department-
21 approved strategic plan.

22 (10) Adult learning providers that do not agree with the
23 decisions of the local workforce development board in issuing or
24 administering competitive grants may use the grievance procedure
25 established by the department.

26 (11) Local workforce development boards shall reimburse
27 eligible adult learning providers under this section as follows:

28 (a) For a first-time provider, as follows:

1 (i) Fifty percent of the contract amount shall be allocated to
2 eligible adult learning providers based upon enrollment of
3 participants in adult learning programs. "Enrollment" means a
4 participant enrolled in the program who received a preenrollment
5 assessment using department-approved assessment tools and for whom
6 an individual adult learner plan has been developed.

7 (ii) Fifty percent of the contract amount shall be allocated
8 to eligible adult learning providers based upon the following
9 performance standards as measured in a department-approved manner:

10 (A) The percentage of participants taking both a pretest and a
11 posttest in English language proficiency, reading, writing, and
12 math.

13 (B) The percentage of participants showing improvement toward
14 goals identified in their individual adult learner plan.

15 (C) The percentage of participants achieving their terminal
16 goals as identified in their individual adult learner plan.

17 (b) ~~Beginning in 2001-2002, eligible~~ ELIGIBLE providers that
18 have provided adult learning programs previously under this
19 section shall be reimbursed 100% of the contract amount based upon
20 the performance standards in subdivision (a)(ii) as measured in a
21 manner determined by the department.

22 (c) A provider is eligible for reimbursement for a participant
23 in an adult learning program until the participant's reading,
24 writing, or math proficiency, as applicable, is assessed at
25 workforce readiness levels or the participant fails to show
26 progress on 2 successive assessments as determined by the
27 department.

28 (d) A provider is eligible for reimbursement for a participant
29 in an English as a second language program until the participant

1 is assessed as having attained basic English proficiency or the
2 participant fails to show progress on 2 successive assessments as
3 determined by the department.

4 (e) A provider is eligible for reimbursement for a participant
5 in a G.E.D. test preparation program until the participant passes
6 the G.E.D. test or the participant fails to show progress on 2
7 successive assessments as determined by the department.

8 (f) A provider is eligible for reimbursement for a participant
9 in a high school completion program until the participant earns a
10 high school diploma or the participant fails to show progress as
11 determined by the department.

12 (12) A person who is not eligible to be a participant funded
13 under this section may receive adult learning services upon the
14 payment of tuition or fees for service. The tuition or fee level
15 shall be determined by the adult learning provider and approved by
16 the local workforce development board.

17 (13) Adult learning providers may collect refundable deposits
18 from participants for the use of reusable equipment and supplies
19 and may provide incentives for program completion.

20 (14) A provider shall not be reimbursed under this section for
21 an individual who is an inmate in a state correctional facility.

22 (15) In order to administer the partnership for adult learning
23 system under this section, the department shall do all of the
24 following:

25 (a) Develop and provide guidelines to local workforce
26 development boards for the development of strategic plans that
27 incorporate adult learning.

28 (b) Develop and provide adult learning minimum program
29 performance standards to be implemented by local workforce

1 development boards.

2 (c) Identify approved assessment tools for assessing a
3 participant's English language proficiency, reading, math, and
4 writing skills.

5 (d) Approve workforce readiness standards for English language
6 proficiency, reading, math, and writing skills that can be
7 measured by department-approved, nationally recognized assessment
8 tools.

9 (16) Of the amount allocated in subsection (1), up to
10 \$200,000.00 is allocated to the department for the development and
11 administration of a standardized data collection system. ~~Beginning~~
12 ~~in 2001-2002, local~~ LOCAL workforce development boards and adult
13 learning providers receiving funding under this section shall use
14 the standardized data collection system for enrolling participants
15 in adult learning programs, tracking participant progress,
16 reporting participant outcomes, and reporting other performance
17 measures.

18 (17) A provider is not required to use certificated teachers
19 or certificated counselors to provide instructional and counseling
20 services in a program funded under this section.

21 (18) As used in this section:

22 (a) "Adult education", for the purposes of complying with
23 section 3 of article VIII of the state constitution of 1963, means
24 a high school pupil receiving educational services in a
25 nontraditional setting from a district or intermediate district in
26 order to receive a high school diploma.

27 (b) "Adult learning program" means a department-approved
28 program that improves reading, writing, and math skills to
29 workforce readiness standards; an English as a second language

1 program; a G.E.D. preparation program; a high school completion
2 program; or a workforce readiness program that enhances employment
3 opportunities.

4 (c) "Department" means the department of career development.

5 (d) "Eligible adult learning provider" means a district,
6 public school academy, intermediate district, community college,
7 university, community-based organization, or other organization
8 approved by the department that provides adult learning programs
9 under a contract with a local workforce development board.

10 (e) "Participant" means an individual enrolled in an adult
11 learning program and receiving services from an eligible adult
12 learning provider.

13 (f) "Strategic plan" means a department-approved document that
14 incorporates adult learning goals and objectives for the local
15 workforce development board region and is developed jointly by the
16 local workforce development board and the education advisory
17 groups.

18 (g) "Workforce development board" means a local workforce
19 development board established pursuant to the workforce investment
20 act of 1998, Public Law 105-220, 112 Stat. 936, and the school-to-
21 work opportunities act of 1994, Public Law 103-239, 108 Stat. 568,
22 or the equivalent.

23 (h) "Workforce readiness standard" means a department-approved
24 level of English language, reading, writing, or mathematics
25 proficiency, or any and all of these, as determined by results
26 from assessments approved for use by the department.

27 SEC. 121A. FROM THE GENERAL FUND APPROPRIATION IN SECTION 11,
28 THERE IS ALLOCATED FOR 2002-2003 ONLY AN AMOUNT NOT TO EXCEED
29 \$4,600,000.00 TO THE DEPARTMENT OF TREASURY FOR PAYMENTS TO LOCAL

1 TREASURERS FOR THE COSTS OF THE EARLY COLLECTION OF THE SCHOOL
2 EDUCATION TAX. ELIGIBLE COSTS TO BE REIMBURSED AND THE MANNER OF
3 REIMBURSEMENT SHALL BE DETERMINED BY THE DEPARTMENT OF TREASURY.

4 Sec. 147. (1) The allocations for ~~2000-2001~~, 2001-2002, and
5 FOR 2002-2003 for the public school employees' retirement system
6 pursuant to the public school employees retirement act of 1979,
7 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the entry
8 age normal cost actuarial method and risk assumptions adopted by
9 the public school employees retirement board and the department of
10 management and budget. The ~~annual level percentage of payroll~~
11 ~~contribution rate for the 2000-2001 state fiscal year is estimated~~
12 ~~at 12.16% and the annual level percentage of payroll contribution~~
13 rate for the 2001-2002 state fiscal year is estimated at 12.17%.
14 The portion of the contribution rate assigned to districts and
15 intermediate districts for each fiscal year is all of the total
16 percentage points. This contribution rate reflects an amortization
17 period of ~~36 years for 2000-2001~~ and 35 years for 2001-2002 AND 34
18 YEARS FOR 2002-2003. The public school employees' retirement
19 system board shall notify each district and intermediate district
20 by February 28 of each fiscal year of the estimated contribution
21 rate for the next fiscal year.

22 (2) It is the intent of the legislature that the amortization
23 period described in section 41(2) of the public school employees
24 retirement act of 1979, 1980 PA 300, MCL 38.1341, be reduced to 30
25 years by the end of the 2005-2006 state fiscal year by reducing
26 the amortization period by not more than 1 year each fiscal year.

27 Sec. 169a. ~~(1)~~ A board member, official, or employee of a
28 district or intermediate district shall not interfere with the
29 right or ability of the Michigan schools for the deaf and blind to

1 provide information about the residential program among parents
2 and guardians of pupils or residents of the district or
3 intermediate district.

4 ~~(2) Upon determining that a pupil is deaf or hard of hearing,~~
5 ~~a district or intermediate district shall provide to the pupil's~~
6 ~~parent or legal guardian information, provided by the Michigan~~
7 ~~coalition for deaf and hard of hearing persons, on educational~~
8 ~~placement options for deaf and hard of hearing children.~~

9 ~~(3) Upon determining that a pupil is blind, a district or~~
10 ~~intermediate district shall provide to the pupil's parent or legal~~
11 ~~guardian information, provided by the Michigan federation for the~~
12 ~~blind, on educational placement options for blind children.~~

13 Enacting section 1. In accordance with section 30 of article
14 IX of the state constitution of 1963, total state spending in this
15 amendatory act and in 2001 PA 121, and 2000 PA 297, from state
16 sources for fiscal year 2001-2002 is estimated at
17 \$11,216,761,700.00 and state appropriations to be paid to local
18 units of government for fiscal year 2001-2002 are estimated at
19 \$11,170,932,400.00; total state spending in this amendatory act
20 and in 2001 PA 121 and 2000 PA 297 from state sources for fiscal
21 year 2002-2003 is estimated at \$11,446,327,600.00 and state
22 appropriations to be paid to local units of government for fiscal
23 year 2002-2003 are estimated at \$11,389,641,800.00.

24 Enacting section 2. (1) Sections 32g, 32h, 63, 95, 97, 164c,
25 and 166d of the state school aid act of 1979, 1979 PA 94, MCL
26 388.1632g, 388.1632h, 388.1663, 388.1695, 388.1697, 388.1764c,
27 and 388.1766d, are repealed.

28 (2) Sections 22c, 32a, 32b, 32c, 32e, 32f, and 33 of the state
29 school aid act of 1979, 1979 PA 94, MCL 388.1622c, 388.1632a,

1 388.1632b, 388.1632c, 388.1632e, 388.1632f, and 388.1633, are
 2 repealed effective October 1, 2002.

3 Enacting section 3. Section 19 of the state school aid act of
 4 1979, 1979 PA 94, MCL 388.1619, as amended by this amendatory act
 5 takes effect October 1, 2002.