

**SUBSTITUTE FOR  
HOUSE BILL NO. 4452**

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending section 101 (MCL 388.1701), as amended by 2002  
PA 476.

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

1       Sec. 101. (1) To be eligible to receive state aid under  
2 this act, not later than the fifth Wednesday after the pupil  
3 membership count day and not later than the fifth Wednesday after  
4 the supplemental count day, each district superintendent through  
5 the secretary of the district's board shall file with the  
6 intermediate superintendent a certified and sworn copy of the  
7 number of pupils enrolled and in regular daily attendance in the  
8 district as of the pupil membership count day and as of the  
9 supplemental count day, as applicable, for the current school  
10 year. In addition, a district maintaining school during the

1 entire year, as provided under section 1561 of the revised school  
2 code, MCL 380.1561, shall file with the intermediate  
3 superintendent a certified and sworn copy of the number of pupils  
4 enrolled and in regular daily attendance in the district for the  
5 current school year pursuant to rules promulgated by the  
6 superintendent. Not later than the seventh Wednesday after the  
7 pupil membership count day and not later than the seventh  
8 Wednesday after the supplemental count day, the intermediate  
9 district shall transmit to the department the data filed by each  
10 of its constituent districts. If a district fails to file the  
11 sworn and certified copy with the intermediate superintendent in  
12 a timely manner, as required under this subsection, the  
13 intermediate district shall notify the department and state aid  
14 due to be distributed under this act shall be withheld from the  
15 defaulting district immediately, beginning with the next payment  
16 after the failure and continuing with each payment until the  
17 district complies with this subsection. If an intermediate  
18 district fails to transmit the data in its possession in a timely  
19 and accurate manner to the department, as required under this  
20 subsection, state aid due to be distributed under this act shall  
21 be withheld from the defaulting intermediate district  
22 immediately, beginning with the next payment after the failure  
23 and continuing with each payment until the intermediate district  
24 complies with this subsection. If a district or intermediate  
25 district does not comply with this subsection by the end of the  
26 fiscal year, the district or intermediate district forfeits the  
27 amount withheld. A person who willfully falsifies a figure or

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1 statement in the certified and sworn copy of enrollment shall be  
2 punished in the manner prescribed by section 161.

3 (2) To be eligible to receive state aid under this act, not  
4 later than the twenty-fourth Wednesday after the pupil membership  
5 count day and not later than the twenty-fourth Wednesday after  
6 the supplemental count day, an intermediate district shall submit  
7 to the department, in a form and manner prescribed by the  
8 department, the audited enrollment and attendance data for the  
9 pupils of its constituent districts and of the intermediate  
10 district. If an intermediate district fails to transmit the  
11 audited data as required under this subsection, state aid due to  
12 be distributed under this act shall be withheld from the  
13 defaulting intermediate district immediately, beginning with the  
14 next payment after the failure and continuing with each payment  
15 until the intermediate district complies with this subsection.  
16 If an intermediate district does not comply with this subsection  
17 by the end of the fiscal year, the intermediate district forfeits  
18 the amount withheld.

19 (3) Except as otherwise provided in this section, each  
20 district shall provide at least [164 days and] ~~180 days of pupil~~  
~~instruction~~  
21 ~~and a number of 1,098 hours of pupil instruction. at least~~  
22 ~~equal to the required minimum number of hours of pupil~~  
23 ~~instruction required for 2000-2001 under section 1284 of the~~  
24 ~~revised school code, MCL 380.1284.~~ [Except as otherwise provided  
25 in this act, a district failing to hold ~~180~~ 164 days of pupil  
26 instruction shall forfeit from its total state aid allocation for  
27 each day of failure an amount equal to ~~1/180~~ 1/164 of its total state

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1 aid allocation.] Except as otherwise provided in this act, a  
2 district failing to comply with the required minimum hours of  
3 pupil instruction under this subsection shall forfeit from its  
4 total state aid allocation an amount determined by applying a  
5 ratio of the number of hours the district was in noncompliance in  
6 relation to the required minimum number of hours under this  
7 subsection. [ A district failing to meet both the ~~180~~ 164 days of  
8 pupil instruction requirement and the minimum number of hours of  
9 pupil instruction requirement under this subsection shall be  
10 penalized only the higher of the 2 amounts calculated under the  
11 forfeiture provisions of this subsection.] Not later than August  
12 1, the board of each district shall certify to the department the  
13 number of [days and] hours of pupil instruction in the previous  
14 school year. If the district did not ~~hold at least 180 days~~  
15 ~~and~~ **provide at least** the required minimum number of [days and] hours of  
16 pupil instruction under this subsection, the deduction of state  
17 aid shall be made in the following fiscal year from the first  
18 payment of state school aid. A district is not subject to  
19 forfeiture of funds under this subsection for a fiscal year in  
20 which a forfeiture was already imposed under subsection ~~-(7)-~~  
21 (6). [Days ~~or~~ and hours] lost because of strikes or teachers'  
22 conferences shall not be counted as [days or] hours of pupil  
23 instruction. [A district not having at least 75% of the  
24 district's membership in attendance on any day of pupil  
25 instruction shall receive state aid in that proportion of ~~1/180~~ 1/164  
26 that the actual percent of attendance bears to the specified  
27 percentage.] The superintendent shall promulgate rules for the

1 implementation of this subsection.

2 (4) Except as otherwise provided in this subsection, the  
3 first ~~2 days~~ **30 hours** for which pupil instruction is not  
4 provided because of conditions not within the control of school  
5 authorities, such as severe storms, fires, epidemics, or health  
6 conditions as defined by the city, county, or state health  
7 authorities, shall be counted as ~~days~~ **hours** of pupil  
8 instruction. ~~In addition, for 2001-2002 only, the department~~  
9 ~~shall count as days of pupil instruction not more than 4~~  
10 ~~additional days, and shall count as hours of pupil instruction~~  
11 ~~not more than 24 hours, for which pupil instruction was not~~  
12 ~~provided in a district after May 27, 2002 due to a train~~  
13 ~~derailment involving hazardous materials.~~ Subsequent such ~~days~~  
14 **hours** shall not be counted as ~~days~~ **hours** of pupil instruction.

15 (5) A district shall not forfeit part of its state aid  
16 appropriation because it adopts or has in existence an  
17 alternative scheduling program for pupils in kindergarten if the  
18 program provides at least the number of hours required under  
19 subsection (3) for a full-time equated membership for a pupil in  
20 kindergarten as provided under section 6(4).

21 ~~(6) Upon application by the district for a particular fiscal~~  
22 ~~year, the superintendent may waive the minimum number of days of~~  
23 ~~pupil instruction requirement of subsection (3) for a district if~~  
24 ~~the district has adopted an experimental school year schedule in~~  
25 ~~1 or more buildings in the district if the experimental school~~  
26 ~~year schedule provides the required minimum number of hours of~~  
27 ~~pupil instruction under subsection (3) or more and is consistent~~

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1 ~~with all state board policies on school improvement and~~  
2 ~~restructuring. If a district applies for and receives a waiver~~  
3 ~~under this subsection and complies with the terms of the waiver,~~  
4 ~~for the fiscal year covered by the waiver the district is not~~  
5 ~~subject to forfeiture under this section of part of its state aid~~  
6 ~~allocation for the specific building or program covered by the~~  
7 ~~waiver.~~

8       (6) ~~—(7)—~~ Not later than April 15 of each fiscal year, the  
9 board of each district shall certify to the department the  
10 planned number of [days and] hours of pupil instruction in the  
11 district for the school year ending in the fiscal year. In  
12 addition to any other penalty or forfeiture under this section,  
13 if at any time the department determines that 1 or more of the  
14 following has occurred in a district, the district shall forfeit  
15 in the current fiscal year beginning in the next payment to be  
16 calculated by the department a proportion of the funds due to the  
17 district under this act that is equal to the proportion below  
18 [~~180~~ 164 days and] the required minimum number of hours of pupil  
19 instruction under subsection (3), as specified in the following:

20       (a) The district fails to operate its schools for at least  
21 [~~180~~ 164 days and] the required minimum number of hours of pupil  
22 instruction under subsection (3) in a school year, including  
23 ~~days~~ **hours** counted under subsection (4).

24       (b) The board of the district takes formal action not to  
25 operate its schools for at least [~~180~~ 164 days and] the required  
26 minimum number of hours of pupil instruction under subsection (3)  
27 in a school year, including ~~days~~ **hours** counted under subsection

1 (4).

2 (7) ~~—(8)—~~ In providing the minimum number of hours of pupil  
3 instruction required under subsection (3), a district shall use  
4 the following guidelines, and a district shall maintain records  
5 to substantiate its compliance with the following guidelines:

6 (a) Except as otherwise provided in this subsection, a pupil  
7 must be scheduled for at least the required minimum number of  
8 hours of instruction, excluding study halls, or at least the sum  
9 of 90 hours plus the required minimum number of hours of  
10 instruction, including up to 2 study halls.

11 (b) The time a pupil is assigned to any tutorial activity in  
12 a block schedule may be considered instructional time, unless  
13 that time is determined in an audit to be a study hall period.

14 (c) A pupil in grades 9 to 12 for whom a reduced schedule is  
15 determined to be in the individual pupil's best educational  
16 interest must be scheduled for a number of hours equal to at  
17 least 80% of the required minimum number of hours of pupil  
18 instruction to be considered a full-time equivalent pupil.

19 (d) If a pupil in grades 9 to 12 who is enrolled in a  
20 cooperative education program or a special education pupil cannot  
21 receive the required minimum number of hours of pupil instruction  
22 solely because of travel time between instructional sites during  
23 the school day, that travel time, up to a maximum of 3 hours per  
24 school week, shall be considered to be pupil instruction time for  
25 the purpose of determining whether the pupil is receiving the  
26 required minimum number of hours of pupil instruction. However,  
27 if a district demonstrates to the satisfaction of the department

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1 that the travel time limitation under this subdivision would  
2 create undue costs or hardship to the district, the department  
3 may consider more travel time to be pupil instruction time for  
4 this purpose.

5 (8) ~~—(9)—~~ The department shall apply the guidelines under  
6 subsection ~~—(8)—~~ (7) in calculating the full-time equivalency of  
7 pupils.

8 (9) ~~—(10)—~~ Upon application by the district for a particular  
9 fiscal year, the superintendent may waive for a district the ~~[180 164~~  
10 ~~days or]~~ minimum number of hours of pupil instruction requirement  
11 of subsection (3) for a department-approved alternative education  
12 program. If a district applies for and receives a waiver under  
13 this subsection and complies with the terms of the waiver, for  
14 the fiscal year covered by the waiver the district is not subject  
15 to forfeiture under this section for the specific program covered  
16 by the waiver.

17 (10) ~~—(11)— Beginning in 2000-2001, a~~ A district may count up  
18 to 51 hours of professional development for teachers as hours of  
19 pupil instruction. A district that elects to use this exception  
20 shall notify the department of its election.

21 (11) Before a district changes its schedule to ~~[less than 180 days~~  
22 ~~of pupil instruction]~~, the governing board of the district shall hold at  
least 2  
23 public hearings on the issue ~~[and shall obtain a performance audit of~~  
~~district operations by an independent certified public accountant,~~  
~~certified in performance auditing, that details all areas in which the~~  
~~district can make budget cuts without adversely affecting pupil~~  
~~performance]~~. If the

24 governing board decides to make the change, the governing board  
25 shall adopt a resolution that includes all of the following:

26 (a) A statement in writing pledging that the costs savings  
27 from the change will be allocated to classroom instruction and



1 will not be used for pay increases.

2 (b) A statement in writing indicating that the change is  
3 being made because the governing board has determined that it  
4 will result in budget savings and stabilize or enhance pupil  
5 performance in the district.

6 Enacting section 1. This amendatory act does not take  
7 effect unless House Bill No. 4453 of the 92nd Legislature is  
8 enacted into law.