

SENATE BILL No. 819

February 24, 2016, Introduced by Senator HANSEN and referred to the Committee on Government Operations.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 6, 20, and 31a (MCL 388.1603, 388.1606,
388.1620, and 388.1631a), section 3 as amended by 2012 PA 201,
section 6 as amended by 2015 PA 223, section 20 as amended by 2015
PA 85, and section 31a as amended by 2015 PA 139.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) "Achievement authority" means the education
2 achievement authority, the public body corporate and special
3 authority initially created under section 5 of article III and
4 section 28 of article VII of the state constitution of 1963 and the
5 urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
6 124.512, by an interlocal agreement effective August 11, 2011,
7 between the school district of the city of Detroit and the board of
8 regents of ~~eastern Michigan university,~~ **EASTERN MICHIGAN**

1 **UNIVERSITY**, a state public university.

2 (2) "Achievement school" means a public school within the
3 education achievement system operated, managed, authorized,
4 established, or overseen by the achievement authority.

5 (3) "Average daily attendance", for the purposes of complying
6 with federal law, means 92% of the pupils counted in membership on
7 the pupil membership count day, as defined in section 6(7).

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

10 (5) "Center" means the center for educational performance and
11 information created in section 94a.

12 (6) **"COMMUNITY DISTRICT" MEANS A SCHOOL DISTRICT ORGANIZED**
13 **UNDER PART 5B OF THE REVISED SCHOOL CODE, MCL 380.381 TO 380.392.**

14 (7) ~~(6)~~—"Cooperative education program" means a written
15 voluntary agreement between and among districts to provide certain
16 educational programs for pupils in certain groups of districts. The
17 written agreement shall be approved by all affected districts at
18 least annually and shall specify the educational programs to be
19 provided and the estimated number of pupils from each district who
20 will participate in the educational programs.

21 (8) ~~(7)~~—"Department", except in section 107, means the
22 department of education.

23 (9) ~~(8)~~—"District" means a local school district established
24 under the revised school code or, except in sections 6(4), 6(6),
25 13, 20, 22a, 31a, 51a(14), 105, 105c, and 166b, a public school
26 academy. Except in sections 6(4), 6(6), 6(8), 13, 20, 22a, 31a,
27 105, 105c, and 166b, district also includes the education

1 achievement system. **EXCEPT IN SECTIONS 6(4), 6(6), AND 20, DISTRICT**
2 **ALSO INCLUDES A COMMUNITY DISTRICT.**

3 (10) ~~(9)~~—"District of residence", except as otherwise provided
4 in this subsection, means the district in which a pupil's custodial
5 parent or parents or legal guardian resides. For a pupil described
6 in section 24b, the pupil's district of residence is the district
7 in which the pupil enrolls under that section. For a pupil
8 described in section 6(4)(d), the pupil's district of residence
9 shall be considered to be the district or intermediate district in
10 which the pupil is counted in membership under that section. For a
11 pupil under court jurisdiction who is placed outside the district
12 in which the pupil's custodial parent or parents or legal guardian
13 resides, the pupil's district of residence shall be considered to
14 be the educating district or educating intermediate district.

15 (11) ~~(10)~~—"District superintendent" means the superintendent
16 of a district, the chief administrator of a public school academy,
17 or the chancellor of the achievement authority.

18 Sec. 6. (1) "Center program" means a program operated by a
19 district or by an intermediate district for special education
20 pupils from several districts in programs for pupils with autism
21 spectrum disorder, pupils with severe cognitive impairment, pupils
22 with moderate cognitive impairment, pupils with severe multiple
23 impairments, pupils with hearing impairment, pupils with visual
24 impairment, and pupils with physical impairment or other health
25 impairment. Programs for pupils with emotional impairment housed in
26 buildings that do not serve regular education pupils also qualify.
27 Unless otherwise approved by the department, a center program

1 either shall serve all constituent districts within an intermediate
2 district or shall serve several districts with less than 50% of the
3 pupils residing in the operating district. In addition, special
4 education center program pupils placed part-time in noncenter
5 programs to comply with the least restrictive environment
6 provisions of section 612 of part B of the individuals with
7 disabilities education act, 20 USC 1412, may be considered center
8 program pupils for pupil accounting purposes for the time scheduled
9 in either a center program or a noncenter program.

10 (2) "District and high school graduation rate" means the
11 annual completion and pupil dropout rate that is calculated by the
12 center pursuant to nationally recognized standards.

13 (3) "District and high school graduation report" means a
14 report of the number of pupils, excluding adult education
15 participants, in the district for the immediately preceding school
16 year, adjusted for those pupils who have transferred into or out of
17 the district or high school, who leave high school with a diploma
18 or other credential of equal status.

19 (4) "Membership", except as otherwise provided in this
20 article, means for a district, a public school academy, the
21 education achievement system, or an intermediate district the sum
22 of the product of .90 times the number of full-time equated pupils
23 in grades K to 12 actually enrolled and in regular daily attendance
24 on the pupil membership count day for the current school year, plus
25 the product of .10 times the final audited count from the
26 supplemental count day for the immediately preceding school year. A
27 district's, public school academy's, or intermediate district's

1 membership shall be adjusted as provided under section 25e for
2 pupils who enroll in the district, public school academy, or
3 intermediate district after the pupil membership count day. All
4 pupil counts used in this subsection are as determined by the
5 department and calculated by adding the number of pupils registered
6 for attendance plus pupils received by transfer and minus pupils
7 lost as defined by rules promulgated by the superintendent, and as
8 corrected by a subsequent department audit. For the purposes of
9 this section and section 6a, for a school of excellence that is a
10 cyber school, as defined in section 551 of the revised school code,
11 MCL 380.551, and is in compliance with section 553a of the revised
12 school code, MCL 380.553a, a pupil's participation in the cyber
13 school's educational program is considered regular daily
14 attendance; for the education achievement system, a pupil's
15 participation in an online educational program of the education
16 achievement system or of an achievement school is considered
17 regular daily attendance; and for a district a pupil's
18 participation in an online course as defined in section 21f is
19 considered regular daily attendance. The amount of the foundation
20 allowance for a pupil in membership is determined under section 20.
21 In making the calculation of membership, all of the following, as
22 applicable, apply to determining the membership of a district, a
23 public school academy, the education achievement system, or an
24 intermediate district:

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

1 shall not be counted for more than a total of 1.0 full-time equated
2 membership.

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

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

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

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

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

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

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

6 (h) A pupil enrolled in an achievement school shall be counted
7 in membership in the education achievement system.

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

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

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

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

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

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

17 (l) To be counted in membership, a pupil shall meet the
18 minimum age requirement to be eligible to attend school under
19 section 1147 of the revised school code, MCL 380.1147, or shall be
20 enrolled under subsection (3) of that section, and shall be less
21 than 20 years of age on September 1 of the school year except as
22 follows:

23 (i) A special education pupil who is enrolled and receiving
24 instruction in a special education program or service approved by
25 the department, who does not have a high school diploma, and who is
26 less than 26 years of age as of September 1 of the current school
27 year shall be counted in membership.

1 (ii) A pupil who is determined by the department to meet all
2 of the following may be counted in membership:

3 (A) Is enrolled in a public school academy or an alternative
4 education high school diploma program, that is primarily focused on
5 educating homeless pupils.

6 (B) Had dropped out of school for more than 1 year and has re-
7 entered school.

8 (C) Is less than 22 years of age as of September 1 of the
9 current school year.

10 (D) Is considered to be homeless under 42 USC 11302, or was
11 counted in membership under this subparagraph in 2014-2015.

12 (iii) If a child does not meet the minimum age requirement to
13 be eligible to attend school for that school year under section
14 1147 of the revised school code, MCL 380.1147, but will be 5 years
15 of age not later than December 1 of that school year, the district
16 may count the child in membership for that school year if the
17 parent or legal guardian has notified the district in writing that
18 he or she intends to enroll the child in kindergarten for that
19 school year.

20 (m) An individual who has obtained a high school diploma shall
21 not be counted in membership. An individual who has obtained a
22 general educational development (G.E.D.) certificate shall not be
23 counted in membership unless the individual is a student with a
24 disability as defined in R 340.1702 of the Michigan administrative
25 code. An individual participating in a job training program funded
26 under former section 107a or a jobs program funded under former
27 section 107b, administered by the Michigan strategic fund, or

1 participating in any successor of either of those 2 programs, shall
2 not be counted in membership.

3 (n) If a pupil counted in membership in a public school
4 academy or the education achievement system is also educated by a
5 district or intermediate district as part of a cooperative
6 education program, the pupil shall be counted in membership only in
7 the public school academy or the education achievement system
8 unless a written agreement signed by all parties designates the
9 party or parties in which the pupil shall be counted in membership,
10 and the instructional time scheduled for the pupil in the district
11 or intermediate district shall be included in the full-time equated
12 membership determination under subdivision (q) and section 101.
13 However, for pupils receiving instruction in both a public school
14 academy or the education achievement system and in a district or
15 intermediate district but not as a part of a cooperative education
16 program, the following apply:

17 (i) If the public school academy or the education achievement
18 system provides instruction for at least 1/2 of the class hours
19 required under section 101, the public school academy or the
20 education achievement system shall receive as its prorated share of
21 the full-time equated membership for each of those pupils an amount
22 equal to 1 times the product of the hours of instruction the public
23 school academy or the education achievement system provides divided
24 by the number of hours required under section 101 for full-time
25 equivalency, and the remainder of the full-time membership for each
26 of those pupils shall be allocated to the district or intermediate
27 district providing the remainder of the hours of instruction.

1 (ii) If the public school academy or the education achievement
2 system provides instruction for less than 1/2 of the class hours
3 required under section 101, the district or intermediate district
4 providing the remainder of the hours of instruction shall receive
5 as its prorated share of the full-time equated membership for each
6 of those pupils an amount equal to 1 times the product of the hours
7 of instruction the district or intermediate district provides
8 divided by the number of hours required under section 101 for full-
9 time equivalency, and the remainder of the full-time membership for
10 each of those pupils shall be allocated to the public school
11 academy or the education achievement system.

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

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

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

27 (r) Full-time equated memberships for pupils in kindergarten

1 shall be determined by dividing the number of instructional hours
2 scheduled and provided per year per kindergarten pupil by the same
3 number used for determining full-time equated memberships for
4 pupils in grades 1 to 12. However, to the extent allowable under
5 federal law, for a district or public school academy that provides
6 evidence satisfactory to the department that it used federal title
7 I money in the 2 immediately preceding school fiscal years to fund
8 full-time kindergarten, full-time equated memberships for pupils in
9 kindergarten shall be determined by dividing the number of class
10 hours scheduled and provided per year per kindergarten pupil by a
11 number equal to $1/2$ the number used for determining full-time
12 equated memberships for pupils in grades 1 to 12. The change in the
13 counting of full-time equated memberships for pupils in
14 kindergarten that took effect for 2012-2013 is not a mandate.

15 (s) For a district, a public school academy, or the education
16 achievement system that has pupils enrolled in a grade level that
17 was not offered by the district, the public school academy, or the
18 education achievement system in the immediately preceding school
19 year, the number of pupils enrolled in that grade level to be
20 counted in membership is the average of the number of those pupils
21 enrolled and in regular daily attendance on the pupil membership
22 count day and the supplemental count day of the current school
23 year, as determined by the department. Membership shall be
24 calculated by adding the number of pupils registered for attendance
25 in that grade level on the pupil membership count day plus pupils
26 received by transfer and minus pupils lost as defined by rules
27 promulgated by the superintendent, and as corrected by subsequent

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

4 (t) A pupil enrolled in a cooperative education program may be
5 counted in membership in the pupil's district of residence with the
6 written approval of all parties to the cooperative agreement.

7 (u) If, as a result of a disciplinary action, a district
8 determines through the district's alternative or disciplinary
9 education program that the best instructional placement for a pupil
10 is in the pupil's home or otherwise apart from the general school
11 population, if that placement is authorized in writing by the
12 district superintendent and district alternative or disciplinary
13 education supervisor, and if the district provides appropriate
14 instruction as described in this subdivision to the pupil at the
15 pupil's home or otherwise apart from the general school population,
16 the district may count the pupil in membership on a pro rata basis,
17 with the proration based on the number of hours of instruction the
18 district actually provides to the pupil divided by the number of
19 hours required under section 101 for full-time equivalency. For the
20 purposes of this subdivision, a district shall be considered to be
21 providing appropriate instruction if all of the following are met:

22 (i) The district provides at least 2 nonconsecutive hours of
23 instruction per week to the pupil at the pupil's home or otherwise
24 apart from the general school population under the supervision of a
25 certificated teacher.

26 (ii) The district provides instructional materials, resources,
27 and supplies that are comparable to those otherwise provided in the

1 district's alternative education program.

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

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

6 (v) If a pupil was enrolled in a public school academy on the
7 pupil membership count day, if the public school academy's contract
8 with its authorizing body is revoked or the public school academy
9 otherwise ceases to operate, and if the pupil enrolls in a district
10 or the education achievement system within 45 days after the pupil
11 membership count day, the department shall adjust the district's or
12 the education achievement system's pupil count for the pupil
13 membership count day to include the pupil in the count.

14 (w) For a public school academy that has been in operation for
15 at least 2 years and that suspended operations for at least 1
16 semester and is resuming operations, membership is the sum of the
17 product of .90 times the number of full-time equated pupils in
18 grades K to 12 actually enrolled and in regular daily attendance on
19 the first pupil membership count day or supplemental count day,
20 whichever is first, occurring after operations resume, plus the
21 product of .10 times the final audited count from the most recent
22 pupil membership count day or supplemental count day that occurred
23 before suspending operations, as determined by the superintendent.

24 (x) If a district's membership for a particular fiscal year,
25 as otherwise calculated under this subsection, would be less than
26 1,550 pupils and the district has 4.5 or fewer pupils per square
27 mile, as determined by the department, and if the district does not

1 receive funding under section 22d(2), the district's membership
2 shall be considered to be the membership figure calculated under
3 this subdivision. If a district educates and counts in its
4 membership pupils in grades 9 to 12 who reside in a contiguous
5 district that does not operate grades 9 to 12 and if 1 or both of
6 the affected districts request the department to use the
7 determination allowed under this sentence, the department shall
8 include the square mileage of both districts in determining the
9 number of pupils per square mile for each of the districts for the
10 purposes of this subdivision. The membership figure calculated
11 under this subdivision is the greater of the following:

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

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

19 (y) Full-time equated memberships for special education pupils
20 who are not enrolled in kindergarten but are enrolled in a
21 classroom program under R 340.1754 of the Michigan administrative
22 code shall be determined by dividing the number of class hours
23 scheduled and provided per year by 450. Full-time equated
24 memberships for special education pupils who are not enrolled in
25 kindergarten but are receiving early childhood special education
26 services under R 340.1755 or R 340.1862 of the Michigan
27 administrative code shall be determined by dividing the number of

1 hours of service scheduled and provided per year per-pupil by 180.

2 (z) A pupil of a district that begins its school year after
3 Labor Day who is enrolled in an intermediate district program that
4 begins before Labor Day shall not be considered to be less than a
5 full-time pupil solely due to instructional time scheduled but not
6 attended by the pupil before Labor Day.

7 (aa) For the first year in which a pupil is counted in
8 membership on the pupil membership count day in a middle college
9 program, the membership is the average of the full-time equated
10 membership on the pupil membership count day and on the
11 supplemental count day for the current school year, as determined
12 by the department. If a pupil described in this subdivision was
13 counted in membership by the operating district on the immediately
14 preceding supplemental count day, the pupil shall be excluded from
15 the district's immediately preceding supplemental count for the
16 purposes of determining the district's membership.

17 (bb) A district, a public school academy, or the education
18 achievement system that educates a pupil who attends a United
19 States Olympic Education Center may count the pupil in membership
20 regardless of whether or not the pupil is a resident of this state.

21 (cc) A pupil enrolled in a district other than the pupil's
22 district of residence pursuant to section 1148(2) of the revised
23 school code, MCL 380.1148, shall be counted in the educating
24 district or the education achievement system.

25 (dd) For a pupil enrolled in a dropout recovery program that
26 meets the requirements of section 23a, the pupil shall be counted
27 as 1/12 of a full-time equated membership for each month that the

1 district operating the program reports that the pupil was enrolled
2 in the program and was in full attendance. However, if the special
3 membership counting provisions under this subdivision and the
4 operation of the other membership counting provisions under this
5 subsection result in a pupil being counted as more than 1.0 FTE in
6 a fiscal year, the payment made for the pupil under sections 22a
7 and 22b shall not be based on more than 1.0 FTE for that pupil, and
8 any portion of an FTE for that pupil that exceeds 1.0 shall instead
9 be paid under section 25g. The district operating the program shall
10 report to the center the number of pupils who were enrolled in the
11 program and were in full attendance for a month not later than the
12 tenth day of the next month. A district shall not report a pupil as
13 being in full attendance for a month unless both of the following
14 are met:

15 (i) A personalized learning plan is in place on or before the
16 first school day of the month for the first month the pupil
17 participates in the program.

18 (ii) The pupil meets the district's definition under section
19 23a of satisfactory monthly progress for that month or, if the
20 pupil does not meet that definition of satisfactory monthly
21 progress for that month, the pupil did meet that definition of
22 satisfactory monthly progress in the immediately preceding month
23 and appropriate interventions are implemented within 10 school days
24 after it is determined that the pupil does not meet that definition
25 of satisfactory monthly progress.

26 (ee) A pupil participating in an online course under section
27 21f shall be counted in membership in the district enrolling the

1 pupil.

2 (ff) If a public school academy that is not in its first or
3 second year of operation closes at the end of a school year and
4 does not reopen for the next school year, the department shall
5 adjust the membership count of the district or the education
6 achievement system in which a former pupil of the public school
7 academy enrolls and is in regular daily attendance for the next
8 school year to ensure that the district or the education
9 achievement system receives the same amount of membership aid for
10 the pupil as if the pupil were counted in the district or the
11 education achievement system on the supplemental count day of the
12 preceding school year.

13 **(GG) A PUPIL ENROLLED IN A COMMUNITY DISTRICT SHALL BE COUNTED**
14 **IN MEMBERSHIP IN THE COMMUNITY DISTRICT.**

15 (5) "Public school academy" means that term as defined in
16 section 5 of the revised school code, MCL 380.5.

17 (6) "Pupil" means a person in membership in a public school. A
18 district must have the approval of the pupil's district of
19 residence to count the pupil in membership, except approval by the
20 pupil's district of residence is not required for any of the
21 following:

22 (a) A nonpublic part-time pupil enrolled in grades K to 12 in
23 accordance with section 166b.

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

26 (c) A pupil enrolled in a public school academy, ~~or~~ the
27 education achievement system, **OR A COMMUNITY DISTRICT.**

1 (d) A pupil enrolled in a district other than the pupil's
2 district of residence under an intermediate district schools of
3 choice pilot program as described in section 91a or former section
4 91 if the intermediate district and its constituent districts have
5 been exempted from section 105.

6 (e) A pupil enrolled in a district other than the pupil's
7 district of residence if the pupil is enrolled in accordance with
8 section 105 or 105c.

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

23 (i) "At school" means in a classroom, elsewhere on school
24 premises, on a school bus or other school-related vehicle, or at a
25 school-sponsored activity or event whether or not it is held on
26 school premises.

27 (ii) "Serious assault" means an act that constitutes a felony

1 violation of chapter XI of the Michigan penal code, 1931 PA 328,
2 MCL 750.81 to 750.90h, or that constitutes an assault and
3 infliction of serious or aggravated injury under section 81a of the
4 Michigan penal code, 1931 PA 328, MCL 750.81a.

5 (g) A pupil whose district of residence changed after the
6 pupil membership count day and before the supplemental count day
7 and who continues to be enrolled on the supplemental count day as a
8 nonresident in the district in which he or she was enrolled as a
9 resident on the pupil membership count day of the same school year.

10 (h) A pupil enrolled in an alternative education program
11 operated by a district other than his or her district of residence
12 who meets 1 or more of the following:

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

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

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

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

20 (i) A pupil enrolled in the Michigan Virtual School, for the
21 pupil's enrollment in the Michigan Virtual School.

22 (j) A pupil who is the child of a person who works at the
23 district or who is the child of a person who worked at the district
24 as of the time the pupil first enrolled in the district but who no
25 longer works at the district due to a workforce reduction. As used
26 in this subdivision, "child" includes an adopted child, stepchild,
27 or legal ward.

1 (k) An expelled pupil who has been denied reinstatement by the
2 expelling district and is reinstated by another school board under
3 section 1311 or 1311a of the revised school code, MCL 380.1311 and
4 380.1311a.

5 (l) A pupil enrolled in a district other than the pupil's
6 district of residence in a middle college program if the pupil's
7 district of residence and the enrolling district are both
8 constituent districts of the same intermediate district.

9 (m) A pupil enrolled in a district other than the pupil's
10 district of residence who attends a United States Olympic Education
11 Center.

12 (n) A pupil enrolled in a district other than the pupil's
13 district of residence pursuant to section 1148(2) of the revised
14 school code, MCL 380.1148.

15 (o) A pupil who enrolls in a district other than the pupil's
16 district of residence as a result of the pupil's school not making
17 adequate yearly progress under the no child left behind act of
18 2001, Public Law 107-110.

19 However, if a district educates pupils who reside in another
20 district and if the primary instructional site for those pupils is
21 established by the educating district after 2009-2010 and is
22 located within the boundaries of that other district, the educating
23 district must have the approval of that other district to count
24 those pupils in membership.

25 (7) "Pupil membership count day" of a district or intermediate
26 district means:

27 (a) Except as provided in subdivision (b), the first Wednesday

1 in October each school year or, for a district or building in which
2 school is not in session on that Wednesday due to conditions not
3 within the control of school authorities, with the approval of the
4 superintendent, the immediately following day on which school is in
5 session in the district or building.

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

8 (i) Fourth Wednesday in July.

9 (ii) First Wednesday in October.

10 (iii) Second Wednesday in February.

11 (iv) Fourth Wednesday in April.

12 (8) "Pupils in grades K to 12 actually enrolled and in regular
13 daily attendance" means pupils in grades K to 12 in attendance and
14 receiving instruction in all classes for which they are enrolled on
15 the pupil membership count day or the supplemental count day, as
16 applicable. Except as otherwise provided in this subsection, a
17 pupil who is absent from any of the classes in which the pupil is
18 enrolled on the pupil membership count day or supplemental count
19 day and who does not attend each of those classes during the 10
20 consecutive school days immediately following the pupil membership
21 count day or supplemental count day, except for a pupil who has
22 been excused by the district, shall not be counted as 1.0 full-time
23 equated membership. A pupil who is excused from attendance on the
24 pupil membership count day or supplemental count day and who fails
25 to attend each of the classes in which the pupil is enrolled within
26 30 calendar days after the pupil membership count day or
27 supplemental count day shall not be counted as 1.0 full-time

equated membership. In addition, a pupil who was enrolled and in attendance in a district, an intermediate district, a public school academy, or the education achievement system before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, public school academy, or education achievement system within 45 days after the pupil membership count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.

(9) "Rule" means a rule promulgated pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

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

(11) "School district of the first class", "first class school district", and "district of the first class" mean, for the purposes of this article only **AND ONLY UNTIL THE END OF THE 2015-2016 FISCAL YEAR**, a district that had at least 40,000 pupils in membership for the immediately preceding fiscal year. **BEGINNING WITH THE 2016-2017 FISCAL YEAR, THOSE TERMS MEAN A FIRST CLASS SCHOOL DISTRICT AS**

1 DESCRIBED IN SECTION 402 OF THE REVISED SCHOOL CODE, MCL 380.402.

2 (12) "School fiscal year" means a fiscal year that commences
3 July 1 and continues through June 30.

4 (13) "State board" means the state board of education.

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

9 (15) "Supplemental count day" means the day on which the
10 supplemental pupil count is conducted under section 6a.

11 (16) "Tuition pupil" means a pupil of school age attending
12 school in a district other than the pupil's district of residence
13 for whom tuition may be charged to the district of residence.
14 Tuition pupil does not include a pupil who is a special education
15 pupil, a pupil described in subsection (6)(c) to (o), or a pupil
16 whose parent or guardian voluntarily enrolls the pupil in a
17 district that is not the pupil's district of residence. A pupil's
18 district of residence shall not require a high school tuition
19 pupil, as provided under section 111, to attend another school
20 district after the pupil has been assigned to a school district.

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

24 (18) "Taxable value" means the taxable value of property as
25 determined under section 27a of the general property tax act, 1893
26 PA 206, MCL 211.27a.

27 (19) "Textbook" means a book, electronic book, or other

1 instructional print or electronic resource that is selected and
2 approved by the governing board of a district or, for an
3 achievement school, by the chancellor of the achievement authority
4 and that contains a presentation of principles of a subject, or
5 that is a literary work relevant to the study of a subject required
6 for the use of classroom pupils, or another type of course material
7 that forms the basis of classroom instruction.

8 (20) "Total state aid" or "total state school aid" means the
9 total combined amount of all funds due to a district, intermediate
10 district, or other entity under all of the provisions of this
11 article.

12 Sec. 20. (1) For 2015-2016, both of the following apply:

13 (a) The basic foundation allowance is \$8,169.00.

14 (b) The minimum foundation allowance is \$7,391.00.

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

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

22 (a) Except as otherwise provided in this subdivision, for a
23 district that had a foundation allowance for the immediately
24 preceding state fiscal year that was equal to the minimum
25 foundation allowance for the immediately preceding state fiscal
26 year, but less than the basic foundation allowance for the
27 immediately preceding state fiscal year, the district shall receive

1 a foundation allowance in an amount equal to the sum of the
2 district's foundation allowance for the immediately preceding state
3 fiscal year plus the difference between twice the dollar amount of
4 the adjustment from the immediately preceding state fiscal year to
5 the current state fiscal year made in the basic foundation
6 allowance and [(the difference between the basic foundation
7 allowance for the current state fiscal year and basic foundation
8 allowance for the immediately preceding state fiscal year minus
9 \$23.00) times (the difference between the district's foundation
10 allowance for the immediately preceding state fiscal year and the
11 minimum foundation allowance for the immediately preceding state
12 fiscal year) divided by the difference between the basic foundation
13 allowance for the current state fiscal year and the minimum
14 foundation allowance for the immediately preceding state fiscal
15 year]. However, the foundation allowance for a district that had
16 less than the basic foundation allowance for the immediately
17 preceding state fiscal year shall not exceed the basic foundation
18 allowance for the current state fiscal year. For the purposes of
19 this subdivision, for 2015-2016, the minimum foundation allowance
20 for the immediately preceding state fiscal year shall be considered
21 to be \$7,251.00.

22 (b) Except as otherwise provided in this subsection, for a
23 district that in the immediately preceding state fiscal year had a
24 foundation allowance in an amount equal to the amount of the basic
25 foundation allowance for the immediately preceding state fiscal
26 year, the district shall receive a foundation allowance for 2015-
27 2016 in an amount equal to the basic foundation allowance for 2015-

1 2016.

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

16 (d) For a district that has a foundation allowance that is not
17 a whole dollar amount, the district's foundation allowance shall be
18 rounded up to the nearest whole dollar.

19 (e) For a district that received a payment under section 22c
20 as that section was in effect for 2014-2015, the district's 2014-
21 2015 foundation allowance shall be considered to have been an
22 amount equal to the sum of the district's actual 2014-2015
23 foundation allowance as otherwise calculated under this section
24 plus the per-pupil amount of the district's equity payment for
25 2014-2015 under section 22c as that section was in effect for 2014-
26 2015.

27 (4) Except as otherwise provided in this subsection, the state

1 portion of a district's foundation allowance is an amount equal to
2 the district's foundation allowance or the basic foundation
3 allowance for the current state fiscal year, whichever is less,
4 minus the local portion of the district's foundation allowance
5 divided by the district's membership excluding special education
6 pupils. For a district described in subsection (3)(c), the state
7 portion of the district's foundation allowance is an amount equal
8 to \$6,962.00 plus the difference between the district's foundation
9 allowance for the current state fiscal year and the district's
10 foundation allowance for 1998-99, minus the local portion of the
11 district's foundation allowance divided by the district's
12 membership excluding special education pupils. For a district that
13 has a millage reduction required under section 31 of article IX of
14 the state constitution of 1963, the state portion of the district's
15 foundation allowance shall be calculated as if that reduction did
16 not occur. For a receiving district, if school operating taxes
17 continue to be levied on behalf of a dissolved district that has
18 been attached in whole or in part to the receiving district to
19 satisfy debt obligations of the dissolved district under section 12
20 of the revised school code, MCL 380.12, the taxable value per
21 membership pupil of property in the receiving district used for the
22 purposes of this subsection does not include the taxable value of
23 property within the geographic area of the dissolved district. **FOR**
24 **A COMMUNITY DISTRICT, IF SCHOOL OPERATING TAXES CONTINUE TO BE**
25 **LEVIED BY A QUALIFYING SCHOOL DISTRICT UNDER SECTION 12B OF THE**
26 **REVISED SCHOOL CODE, MCL 380.12B, WITH THE SAME GEOGRAPHIC AREA AS**
27 **THE COMMUNITY DISTRICT, THE TAXABLE VALUE PER MEMBERSHIP PUPIL OF**

1 PROPERTY IN THE COMMUNITY DISTRICT TO BE USED FOR THE PURPOSES OF
2 THIS SUBSECTION DOES NOT INCLUDE THE TAXABLE VALUE OF PROPERTY
3 WITHIN THE GEOGRAPHIC AREA OF THE COMMUNITY DISTRICT.

4 (5) The allocation calculated under this section for a pupil
5 shall be based on the foundation allowance of the pupil's district
6 of residence. IF A PUPIL'S RESIDENCE IS IN BOTH A COMMUNITY
7 DISTRICT AND ANOTHER DISTRICT, FOR PURPOSES OF THIS SUBSECTION, THE
8 PUPIL'S DISTRICT OF RESIDENCE IS CONSIDERED TO BE THE COMMUNITY
9 DISTRICT. For a pupil enrolled pursuant to section 105 or 105c in a
10 district other than the pupil's district of residence, the
11 allocation calculated under this section shall be based on the
12 lesser of the foundation allowance of the pupil's district of
13 residence or the foundation allowance of the educating district.
14 For a pupil in membership in a K-5, K-6, or K-8 district who is
15 enrolled in another district in a grade not offered by the pupil's
16 district of residence, the allocation calculated under this section
17 shall be based on the foundation allowance of the educating
18 district if the educating district's foundation allowance is
19 greater than the foundation allowance of the pupil's district of
20 residence.

21 (6) Except as otherwise provided in this subsection, for
22 pupils in membership, other than special education pupils, in a
23 public school academy, the allocation calculated under this section
24 is an amount per membership pupil other than special education
25 pupils in the public school academy equal to the foundation
26 allowance of the district in which the public school academy is
27 located or the state maximum public school academy allocation,

1 whichever is less. For pupils in membership, other than special
2 education pupils, in a public school academy that is a cyber school
3 and is authorized by a school district, the allocation calculated
4 under this section is an amount per membership pupil other than
5 special education pupils in the public school academy equal to the
6 foundation allowance of the district that authorized the public
7 school academy or the state maximum public school academy
8 allocation, whichever is less. However, a public school academy
9 that had an allocation under this subsection before 2009-2010 that
10 was equal to the sum of the local school operating revenue per
11 membership pupil other than special education pupils for the
12 district in which the public school academy is located and the
13 state portion of that district's foundation allowance shall not
14 have that allocation reduced as a result of the 2010 amendment to
15 this subsection. Notwithstanding section 101, for a public school
16 academy that begins operations after the pupil membership count
17 day, the amount per membership pupil calculated under this
18 subsection shall be adjusted by multiplying that amount per
19 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 101(3). The
23 result of this calculation shall not exceed the amount per
24 membership pupil otherwise calculated under this subsection.

25 (7) Except as otherwise provided in this subsection, for
26 pupils attending an achievement school and in membership in the
27 education achievement system, other than special education pupils,

1 the allocation calculated under this section is an amount per
2 membership pupil other than special education pupils equal to the
3 foundation allowance of the district in which the achievement
4 school is located, not to exceed the basic foundation allowance.
5 Notwithstanding section 101, for an achievement school that begins
6 operation after the pupil membership count day, the amount per
7 membership pupil calculated under this subsection shall be adjusted
8 by multiplying that amount per membership pupil by the number of
9 hours of pupil instruction provided by the achievement school after
10 it begins operations, as determined by the department, divided by
11 the minimum number of hours of pupil instruction required under
12 section 101(3). The result of this calculation shall not exceed the
13 amount per membership pupil otherwise calculated under this
14 subsection. For the purposes of this subsection, if a public school
15 is transferred from a district to the state school reform/redesign
16 district or the achievement authority under section 1280c of the
17 revised school code, MCL 380.1280c, that public school is
18 considered to be an achievement school within the education
19 achievement system and not a school that is part of a district, and
20 a pupil attending that public school is considered to be in
21 membership in the education achievement system and not in
22 membership in the district that operated the school before the
23 transfer.

24 (8) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR
25 PUPILS IN MEMBERSHIP, OTHER THAN SPECIAL EDUCATION PUPILS, IN A
26 COMMUNITY DISTRICT, THE ALLOCATION CALCULATED UNDER THIS SECTION IS
27 AN AMOUNT PER MEMBERSHIP PUPIL OTHER THAN SPECIAL EDUCATION PUPILS

1 IN THE COMMUNITY DISTRICT EQUAL TO THE FOUNDATION ALLOWANCE OF THE
2 QUALIFYING SCHOOL DISTRICT, AS DESCRIBED IN SECTION 12B OF THE
3 REVISED SCHOOL CODE, MCL 380.12B, THAT IS LOCATED WITHIN THE SAME
4 GEOGRAPHIC AREA AS THE COMMUNITY DISTRICT.

5 (9) ~~(8)~~—Subject to subsection (4), for a district that is
6 formed or reconfigured after June 1, 2002 by consolidation of 2 or
7 more districts or by annexation, the resulting district's
8 foundation allowance under this section beginning after the
9 effective date of the consolidation or annexation shall be the
10 lesser of the sum of the average of the foundation allowances of
11 each of the original or affected districts, calculated as provided
12 in this section, weighted as to the percentage of pupils in total
13 membership in the resulting district who reside in the geographic
14 area of each of the original or affected districts plus \$100.00 or
15 the highest foundation allowance among the original or affected
16 districts. This subsection does not apply to a receiving district
17 unless there is a subsequent consolidation or annexation that
18 affects the district.

19 (10) ~~(9)~~—Each fraction used in making calculations under this
20 section shall be rounded to the fourth decimal place and the dollar
21 amount of an increase in the basic foundation allowance shall be
22 rounded to the nearest whole dollar.

23 (11) ~~(10)~~—State payments related to payment of the foundation
24 allowance for a special education pupil are not calculated under
25 this section but are instead calculated under section 51a.

26 (12) ~~(11)~~—To assist the legislature in determining the basic
27 foundation allowance for the subsequent state fiscal year, each

1 revenue estimating conference conducted under section 367b of the
2 management and budget act, 1984 PA 431, MCL 18.1367b, shall
3 calculate a pupil membership factor, a revenue adjustment factor,
4 and an index as follows:

5 (a) The pupil membership factor shall be computed by dividing
6 the estimated membership in the school year ending in the current
7 state fiscal year, excluding intermediate district membership, by
8 the estimated membership for the school year ending in the
9 subsequent state fiscal year, excluding intermediate district
10 membership. If a consensus membership factor is not determined at
11 the revenue estimating conference, the principals of the revenue
12 estimating conference shall report their estimates to the house and
13 senate subcommittees responsible for school aid appropriations not
14 later than 7 days after the conclusion of the revenue 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 the management and budget act,
23 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated
24 total school aid fund revenue for the current state fiscal year
25 plus the estimated total state school aid fund revenue for the
26 immediately preceding state fiscal year, adjusted for any change in
27 the rate or base of a tax the proceeds of which are deposited in

1 that fund. If a consensus revenue factor is not determined at the
2 revenue estimating conference, the principals of the revenue
3 estimating conference shall report their estimates to the house and
4 senate subcommittees responsible for school aid appropriations not
5 later than 7 days after the conclusion of the revenue conference.

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

13 (13) ~~(12)~~—Payments to districts, public school academies, or
14 the education achievement system shall not be made under this
15 section. Rather, the calculations under this section shall be used
16 to determine the amount of state payments under section 22b.

17 (14) ~~(13)~~—If an amendment to section 2 of article VIII of the
18 state constitution of 1963 allowing state aid to some or all
19 nonpublic schools is approved by the voters of this state, each
20 foundation allowance or per-pupil payment calculation under this
21 section may be reduced.

22 (15) ~~(14)~~—As used in this section:

23 (a) "Certified mills" means the lesser of 18 mills or the
24 number of mills of school operating taxes levied by the district in
25 1993-94.

26 (b) "Combined state and local revenue" means the aggregate of
27 the district's state school aid received by or paid on behalf of

1 the district under this section and the district's local school
2 operating revenue.

3 (c) "Combined state and local revenue per membership pupil"
4 means the district's combined state and local revenue divided by
5 the district's membership excluding special education pupils.

6 (d) "Current state fiscal year" means the state fiscal year
7 for which a particular calculation is made.

8 (e) "Dissolved district" means a district that loses its
9 organization, has its territory attached to 1 or more other
10 districts, and is dissolved as provided under section 12 of the
11 revised school code, MCL 380.12.

12 (f) "Immediately preceding state fiscal year" means the state
13 fiscal year immediately preceding the current state fiscal year.

14 (g) "Local portion of the district's foundation allowance"
15 means an amount that is equal to the difference between (the sum of
16 the product of the taxable value per membership pupil of all
17 property in the district that is nonexempt property times the
18 district's certified mills and, for a district with certified mills
19 exceeding 12, the product of the taxable value per membership pupil
20 of property in the district that is commercial personal property
21 times the certified mills minus 12 mills) and (the quotient of the
22 product of the captured assessed valuation under tax increment
23 financing acts times the district's certified mills divided by the
24 district's membership excluding special education pupils).

25 (h) "Local school operating revenue" means school operating
26 taxes levied under section 1211 of the revised school code, MCL
27 380.1211. For a receiving district, if school operating taxes are

1 to be levied on behalf of a dissolved district that has been
2 attached in whole or in part to the receiving district to satisfy
3 debt obligations of the dissolved district under section 12 of the
4 revised school code, MCL 380.12, local school operating revenue
5 does not include school operating taxes levied within the
6 geographic area of the dissolved district.

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

10 (j) "Maximum public school academy allocation", except as
11 otherwise provided in this subdivision, means the maximum per-pupil
12 allocation as calculated by adding the highest per-pupil allocation
13 among all public school academies for the immediately preceding
14 state fiscal year plus the difference between twice the amount of
15 the difference between the basic foundation allowance for the
16 current state fiscal year and the basic foundation allowance for
17 the immediately preceding state fiscal year and [(the amount of the
18 difference between the basic foundation allowance for the current
19 state fiscal year and the basic foundation allowance for the
20 immediately preceding state fiscal year minus \$23.00) times (the
21 difference between the highest per-pupil allocation among all
22 public school academies for the immediately preceding state fiscal
23 year and the minimum foundation allowance for the immediately
24 preceding state fiscal year) divided by the difference between the
25 basic foundation allowance for the current state fiscal year and
26 the minimum foundation allowance for the immediately preceding
27 state fiscal year]. For the purposes of this subdivision, for 2015-

1 2016, the maximum public school academy allocation is \$7,391.00.

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

5 (l) "Nonexempt property" means property that is not a
6 principal residence, qualified agricultural property, qualified
7 forest property, supportive housing property, industrial personal
8 property, commercial personal property, or property occupied by a
9 public school academy.

10 (m) "Principal residence", "qualified agricultural property",
11 "qualified forest property", "supportive housing property",
12 "industrial personal property", and "commercial personal property"
13 mean those terms as defined in section 1211 of the revised school
14 code, MCL 380.1211.

15 (n) "Receiving district" means a district to which all or part
16 of the territory of a dissolved district is attached under section
17 12 of the revised school code, MCL 380.12.

18 (o) "School operating purposes" means the purposes included in
19 the operation costs of the district as prescribed in sections 7 and
20 18 and purposes authorized under section 1211 of the revised school
21 code, MCL 380.1211.

22 (p) "School operating taxes" means local ad valorem property
23 taxes levied under section 1211 of the revised school code, MCL
24 380.1211, and retained for school operating purposes.

25 (q) "Tax increment financing acts" means 1975 PA 197, MCL
26 125.1651 to 125.1681, the tax increment finance authority act, 1980
27 PA 450, MCL 125.1801 to 125.1830, the local development financing

1 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
2 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
3 or the corridor improvement authority act, 2005 PA 280, MCL
4 125.2871 to 125.2899.

5 (r) "Taxable value per membership pupil" means taxable value,
6 as certified by the county treasurer and reported to the
7 department, for the calendar year ending in the current state
8 fiscal year divided by the district's membership excluding special
9 education pupils for the school year ending in the current state
10 fiscal year.

11 Sec. 31a. (1) From the state school aid fund money
12 appropriated in section 11, there is allocated for 2015-2016 an
13 amount not to exceed \$389,695,500.00 for payments to eligible
14 districts, eligible public school academies, and the education
15 achievement system for the purposes of ensuring that pupils are
16 proficient in reading by the end of grade 3 and that high school
17 graduates are career and college ready and for the purposes under
18 subsections (7) and (8).

19 (2) For a district or public school academy, or the education
20 achievement system, to be eligible to receive funding under this
21 section, other than funding under subsection (7) or (8), the sum of
22 the district's or public school academy's or the education
23 achievement system's combined state and local revenue per
24 membership pupil in the current state fiscal year, as calculated
25 under section 20, must be less than or equal to the basic
26 foundation allowance under section 20 for the current state fiscal
27 year.

(3) For a district or public school academy that operates grades K to 3, or the education achievement system, to be eligible to receive funding under this section, other than funding under subsection (7) or (8), the district or public school academy, or the education achievement system, must implement, for at least grades K to 3, a multi-tiered system of supports that is an evidence-based model that uses data-driven problem solving to integrate academic and behavioral instruction and that uses intervention delivered to all pupils in varying intensities based on pupil needs. This multi-tiered system of supports must provide at least all of the following essential elements:

(a) Implements effective instruction for all learners.

(b) Intervenes early.

(c) Provides a multi-tiered model of instruction and intervention that provides the following:

(i) A core curriculum and classroom interventions available to all pupils that meet the needs of most pupils.

(ii) Targeted group interventions.

(iii) Intense individual interventions.

(d) Monitors pupil progress to inform instruction.

(e) Uses data to make instructional decisions.

(f) Uses assessments including universal screening, diagnostics, and progress monitoring.

(g) Engages families and the community.

(h) Implements evidence-based, scientifically validated, instruction and intervention.

(i) Implements instruction and intervention practices with

1 fidelity.

2 (j) Uses a collaborative problem-solving model.

3 (4) Except as otherwise provided in this subsection, an
4 eligible district or eligible public school academy or the
5 education achievement system shall receive under this section for
6 each membership pupil in the district or public school academy or
7 the education achievement system who met the income eligibility
8 criteria for free breakfast, lunch, or milk, as determined under
9 the Richard B. Russell national school lunch act, 42 USC 1751 to
10 1769, and as reported to the department in the form and manner
11 prescribed by the department not later than the fifth Wednesday
12 after the pupil membership count day of the immediately preceding
13 fiscal year and adjusted not later than December 31 of the
14 immediately preceding fiscal year, an amount per pupil equal to
15 11.5% of the sum of the district's foundation allowance or the
16 public school academy's or the education achievement system's per
17 pupil amount calculated under section 20, not to exceed the basic
18 foundation allowance under section 20 for the current state fiscal
19 year, or of the public school academy's or the education
20 achievement system's per membership pupil amount calculated under
21 section 20 for the current state fiscal year. However, a public
22 school academy that began operations as a public school academy, **A**
23 **DISTRICT THAT IS A COMMUNITY DISTRICT AND THAT FIRST ENROLLED**
24 **PUPILS**, or an achievement school that began operations as an
25 achievement school, after the pupil membership count day of the
26 immediately preceding school year shall receive under this section
27 for each membership pupil in the public school academy, **IN THE**

1 **DISTRICT THAT IS A COMMUNITY DISTRICT**, or in the education
2 achievement system who met the income eligibility criteria for free
3 breakfast, lunch, or milk, as determined under the Richard B.
4 Russell national school lunch act and as reported to the department
5 not later than the fifth Wednesday after the pupil membership count
6 day of the current fiscal year and adjusted not later than December
7 31 of the current fiscal year, an amount per pupil equal to 11.5%
8 of the public school academy's, **THE DISTRICT THAT IS A COMMUNITY**
9 **DISTRICT'S**, or the education achievement system's per membership
10 pupil amount calculated under section 20 for the current state
11 fiscal year.

12 (5) Except as otherwise provided in this section, a district
13 or public school academy, or the education achievement system,
14 receiving funding under this section shall use that money only to
15 provide instructional programs and direct noninstructional
16 services, including, but not limited to, medical, mental health, or
17 counseling services, for at-risk pupils; for school health clinics;
18 and for the purposes of subsection (6), (7), (8), or (11). In
19 addition, a district that is a school district of the first class
20 or a district or public school academy in which at least 50% of the
21 pupils in membership met the income eligibility criteria for free
22 breakfast, lunch, or milk in the immediately preceding state fiscal
23 year, as determined and reported as described in subsection (4), or
24 the education achievement system if it meets this requirement, may
25 use not more than 20% of the funds it receives under this section
26 for school security. A district, the public school academy, or the
27 education achievement system shall not use any of that money for

1 administrative costs. The instruction or direct noninstructional
2 services provided under this section may be conducted before or
3 after regular school hours or by adding extra school days to the
4 school year.

5 (6) A district or public school academy that receives funds
6 under this section and that operates a school breakfast program
7 under section 1272a of the revised school code, MCL 380.1272a, or
8 the education achievement system if it operates a school breakfast
9 program, shall use from the funds received under this section an
10 amount, not to exceed \$10.00 per pupil for whom the district or
11 public school academy or the education achievement system receives
12 funds under this section, necessary to pay for costs associated
13 with the operation of the school breakfast program.

14 (7) From the funds allocated under subsection (1), there is
15 allocated for 2015-2016 an amount not to exceed \$3,557,300.00 to
16 support child and adolescent health centers. These grants shall be
17 awarded for 5 consecutive years beginning with 2003-2004 in a form
18 and manner approved jointly by the department and the department of
19 health and human services. Each grant recipient shall remain in
20 compliance with the terms of the grant award or shall forfeit the
21 grant award for the duration of the 5-year period after the
22 noncompliance. To continue to receive funding for a child and
23 adolescent health center under this section a grant recipient shall
24 ensure that the child and adolescent health center has an advisory
25 committee and that at least one-third of the members of the
26 advisory committee are parents or legal guardians of school-aged
27 children. A child and adolescent health center program shall

1 recognize the role of a child's parents or legal guardian in the
2 physical and emotional well-being of the child. Funding under this
3 subsection shall be used to support child and adolescent health
4 center services provided to children up to age 21. If any funds
5 allocated under this subsection are not used for the purposes of
6 this subsection for the fiscal year in which they are allocated,
7 those unused funds shall be used that fiscal year to avoid or
8 minimize any proration that would otherwise be required under
9 subsection (12) for that fiscal year. In addition to the funds
10 otherwise allocated under this subsection, from the money allocated
11 in subsection (1), there is allocated an amount not to exceed
12 \$2,000,000.00 for 2015-2016 only for child and adolescent health
13 centers to increase access to nurses and behavioral health services
14 in schools, using 3 existing school clinics as hubs for services
15 and using mobile teams to serve satellite school sites.

16 (8) From the funds allocated under subsection (1), there is
17 allocated for 2015-2016 an amount not to exceed \$5,150,000.00 for
18 the state portion of the hearing and vision screenings as described
19 in section 9301 of the public health code, 1978 PA 368, MCL
20 333.9301. A local public health department shall pay at least 50%
21 of the total cost of the screenings. The frequency of the
22 screenings shall be as required under R 325.13091 to R 325.13096
23 and R 325.3271 to R 325.3276 of the Michigan administrative code.
24 Funds shall be awarded in a form and manner approved jointly by the
25 department and the department of health and human services.
26 Notwithstanding section 17b, payments to eligible entities under
27 this subsection shall be paid on a schedule determined by the

1 department.

2 (9) Each district or public school academy receiving funds
3 under this section and the education achievement system shall
4 submit to the department by July 15 of each fiscal year a report,
5 not to exceed 10 pages, on the usage by the district or public
6 school academy or the education achievement system of funds under
7 this section, which report shall include a brief description of
8 each program conducted or services performed by the district or
9 public school academy or the education achievement system using
10 funds under this section, the amount of funds under this section
11 allocated to each of those programs or services, the total number
12 of at-risk pupils served by each of those programs or services, and
13 the data necessary for the department and the department of health
14 and human services to verify matching funds for the temporary
15 assistance for needy families program. If a district or public
16 school academy or the education achievement system does not comply
17 with this subsection, the department shall withhold an amount equal
18 to the August payment due under this section until the district or
19 public school academy or the education achievement system complies
20 with this subsection. If the district or public school academy or
21 the education achievement system does not comply with this
22 subsection by the end of the state fiscal year, the withheld funds
23 shall be forfeited to the school aid fund.

24 (10) In order to receive funds under this section, a district
25 or public school academy or the education achievement system shall
26 allow access for the department or the department's designee to
27 audit all records related to the program for which it receives

1 those funds. The district or public school academy or the education
2 achievement system shall reimburse the state for all disallowances
3 found in the audit.

4 (11) Subject to subsections (6), (7), and (8), a district may
5 use up to 100% of the funds it receives under this section to
6 implement schoolwide reform in schools with 40% or more of their
7 pupils identified as at-risk pupils by providing supplemental
8 instructional or noninstructional services consistent with the
9 school improvement plan.

10 (12) If necessary, and before any proration required under
11 section 296, the department shall prorate payments under this
12 section by reducing the amount of the per pupil payment under this
13 section by a dollar amount calculated by determining the amount by
14 which the amount necessary to fully fund the requirements of this
15 section exceeds the maximum amount allocated under this section and
16 then dividing that amount by the total statewide number of pupils
17 who met the income eligibility criteria for free breakfast, lunch,
18 or milk in the immediately preceding fiscal year, as described in
19 subsection (4).

20 (13) If a district is formed by consolidation after June 1,
21 1995, and if 1 or more of the original districts were not eligible
22 before the consolidation for an additional allowance under this
23 section, the amount of the additional allowance under this section
24 for the consolidated district shall be based on the number of
25 pupils described in subsection (1) enrolled in the consolidated
26 district who reside in the territory of an original district that
27 was eligible before the consolidation for an additional allowance

1 under this section. In addition, if a district is dissolved
2 pursuant to section 12 of the revised school code, MCL 380.12, the
3 intermediate district to which the dissolved school district was
4 constituent shall determine the estimated number of pupils that
5 meet the income eligibility criteria for free breakfast, lunch, or
6 milk, as described under subsection (4), enrolled in each of the
7 other districts within the intermediate district and provide that
8 estimate to the department for the purposes of distributing funds
9 under this section within 60 days after the school district is
10 declared dissolved.

11 (14) As used in this section, "at-risk pupil" means a pupil
12 for whom the district has documentation that the pupil meets any of
13 the following criteria:

14 (a) Is a victim of child abuse or neglect.

15 (b) Is a pregnant teenager or teenage parent.

16 (c) Has a family history of school failure, incarceration, or
17 substance abuse.

18 (d) For pupils for whom the results of the state summative
19 assessment have been received, is a pupil who did not achieve
20 proficiency on the English language arts, mathematics, science, or
21 social studies content area assessment.

22 (e) Is a pupil who is at risk of not meeting the district's
23 core academic curricular objectives in English language arts or
24 mathematics, as demonstrated on local assessments.

25 (f) The pupil is enrolled in a priority or priority-successor
26 school, as defined in the elementary and secondary education act of
27 2001 flexibility waiver approved by the United States Department of

1 Education.

2 (g) In the absence of state or local assessment data, the
3 pupil meets at least 2 of the following criteria, as documented in
4 a form and manner approved by the department:

5 (i) The pupil is eligible for free or reduced price breakfast,
6 lunch, or milk.

7 (ii) The pupil is absent more than 10% of enrolled days or 10
8 school days during the school year.

9 (iii) The pupil is homeless.

10 (iv) The pupil is a migrant.

11 (v) The pupil is an English language learner.

12 (vi) The pupil is an immigrant who has immigrated within the
13 immediately preceding 3 years.

14 (vii) The pupil did not complete high school in 4 years and is
15 still continuing in school as identified in the Michigan cohort
16 graduation and dropout report.

17 (15) Beginning in 2018-2019, if a district, public school
18 academy, or the education achievement system does not demonstrate
19 to the satisfaction of the department that at least 50% of at-risk
20 pupils are reading at grade level by the end of grade 3 as measured
21 by the state assessment for the immediately preceding school year
22 and demonstrate to the satisfaction of the department improvement
23 over each of the 3 immediately preceding school years in the
24 percentage of at-risk pupils that are career- and college-ready as
25 determined by proficiency on the English language arts,
26 mathematics, and science content area assessments on the grade 11
27 summative assessment under section 1279g(2)(a) of the revised

1 school code, MCL 380.1279g, the district, public school academy, or
2 education achievement system shall ensure all of the following:

3 (a) The district, public school academy, or the education
4 achievement system shall determine the proportion of total at-risk
5 pupils that represents the number of pupils in grade 3 that are not
6 reading at grade level by the end of grade 3, and the district,
7 public school academy, or the education achievement system shall
8 expend that same proportion multiplied by 1/2 of its total at-risk
9 funds under this section on tutoring and other methods of improving
10 grade 3 reading levels.

11 (b) The district, public school academy, or the education
12 achievement system shall determine the proportion of total at-risk
13 pupils that represent the number of pupils in grade 11 that are not
14 career- and college-ready as measured by the student's score on the
15 English language arts, mathematics, and science content area
16 assessments on the grade 11 summative assessment under section
17 1279g(2)(a) of the revised school code, MCL 380.1279g, and the
18 district, public school academy, or the education achievement
19 system shall expend that same proportion multiplied by 1/2 of its
20 total at-risk funds under this section on tutoring and other
21 activities to improve scores on the college entrance examination
22 portion of the Michigan merit examination.

23 (16) As used in subsection (15), "total at-risk pupils" means
24 the sum of the number of pupils in grade 3 that are not reading at
25 grade level by the end of third grade as measured on the state
26 assessment and the number of pupils in grade 11 that are not
27 career- and college-ready as measured by the student's score on the

1 English language arts, mathematics, and science content area
2 assessments on the grade 11 summative assessment under section
3 1279g(2)(a) of the revised school code, MCL 380.1279g.

4 (17) A district or public school academy that receives funds
5 under this section or the education achievement system may use
6 funds received under this section to provide an anti-bullying or
7 crisis intervention program.

8 (18) The department shall collaborate with the department of
9 health and human services to prioritize assigning Pathways to
10 Potential Success coaches to elementary schools that have a high
11 percentage of pupils in grades K to 3 who are not reading at grade
12 level.

13 Enacting section 1. This amendatory act does not take effect
14 unless Senate Bill No. 710 of the 98th Legislature is enacted into
15 law.