

# SENATE BILL No. 551

November 10, 1987, Introduced by Senators NICHOLS, SCHWARZ, DE GROW, CARL, EHLERS and DILLINGHAM and referred to the Committee on Appropriations.

A bill to amend sections 21 and 35 of Act No. 94 of the Public Acts of 1979, entitled

"The state school aid act of 1979,"

section 21 as amended by Act No. 128 of the Public Acts of 1987 and section 35 as amended by Act No. 276 of the Public Acts of 1982, being sections 388.1621 and 388.1635 of the Michigan Compiled Laws; and to repeal certain parts of the act.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Sections 21 and 35 of Act No. 94 of the Public  
2 Acts of 1979, section 21 as amended by Act No. 128 of the Public  
3 Acts of 1987 and section 35 as amended by Act No. 276 of the  
4 Public Acts of 1982, being sections 388.1621 and 388.1635 of the  
5 Michigan Compiled Laws, are amended to read as follows:

6       Sec. 21. (1) Except as otherwise provided in this act, from  
7 the amount appropriated in section 11, there is allocated to each

1 district PURSUANT TO SECTION 11 OF ARTICLE IX OF THE STATE  
 2 CONSTITUTION OF 1963 an amount per membership pupil sufficient to  
 3 guarantee the district for ~~1987-88 a combined state local yield~~  
 4 ~~or gross allowance of \$306.00 plus \$75.10 for each mill of oper-~~  
 5 ~~ating tax levied. For purposes of this section, only taxes~~  
 6 ~~levied for purposes included in the operation cost of the dis-~~  
 7 ~~trict as prescribed in section 7 shall be considered operating~~  
 8 ~~tax. The net allocation for each district shall be an amount per~~  
 9 ~~membership pupil computed by subtracting, from the gross allow-~~  
 10 ~~ance guaranteed the district, the product of the district's state~~  
 11 ~~equalized valuation behind each membership pupil and the millage~~  
 12 ~~utilized for computing the gross allowance.~~ 1989-90 AN AMOUNT  
 13 EQUAL TO NOT LESS THAN \$2,956.00 OR 115% OF THE DISTRICT'S  
 14 1988-89 SCHOOL OPERATING EXPENDITURE, WHICHEVER IS LESS.

15 An additional \$30.00 per pupil ~~in gross allowance~~ shall be  
 16 allocated to any district that satisfies the requirements speci-  
 17 fied in ~~either subdivision~~ SUBDIVISIONS (a) ~~or~~ AND (b).

18 (a) The district requires pupils to have completed as a con-  
 19 dition for graduation ~~in 1988-89~~ all of the following:

20 (i) Three years of English or communication skills.

21 (ii) Two years of mathematics.

22 (iii) Two years of science.

23 (iv) Three years of social science.

24 (v) One year of health or physical education, or both.

25 (vi) Two years of a foreign language, fine or performing  
 26 arts, vocational education or practical arts, or any combination  
 27 ~~thereof~~ OF THE SUBJECTS LISTED IN THIS SUBPARAGRAPH.

(vii) One semester of computer education.

(b) The district ~~provides for its pupils in grades 9~~

~~through +2 all of the following:~~ ADMINISTERS A STATE BOARD

APPROVED EMPLOYABILITY SKILLS TEST.

~~(i) Six classes, each consisting of at least 50 minutes of~~

~~classroom instruction or a total of not less than 300 minutes of~~

~~classroom instruction. In either case, at least 30% of the~~

~~pupils in grades 9 through +2 shall be enrolled in the sixth~~

~~period, with the sixth period being a class of an academic nature~~

~~that normally would be credited toward high school graduation.~~

~~This subparagraph does not apply to pupils in grade 9 who do not~~

~~attend classes in the same building as pupils in grades +0~~

~~through +2.~~

~~(ii) Four years of English, with at least 65% of the pupils~~

~~in grades 9 through +2 enrolled in an English course.~~

~~(iii) Three years of mathematics, with at least 45% of the~~

~~pupils in grades 9 through +2 enrolled in a mathematics course.~~

~~(iv) Three years of science, with at least 45% of the pupils~~

~~in grades 9 through +2 enrolled in a science course.~~

~~(v) Three years of social science, with at least 55% of the~~

~~pupils in grades 9 through +2 enrolled in a social science~~

~~course.~~

~~(vi) Two years of a foreign language, vocational education~~

~~or practical arts, or any combination thereof, with at least 25%~~

~~of the pupils in grades 9 through +2 enrolled in a course in + of~~

~~these areas.~~

1 ~~(vii) One year of health or physical education, or both,~~  
 2 ~~with at least 15% of the pupils in grades 9 through 12 enrolled~~  
 3 ~~in a course in 1 of these areas.~~

4 ~~(viii) One year of fine or performing arts, with at least~~  
 5 ~~10% of the pupils in grades 9 through 12 enrolled in a course in~~  
 6 ~~1 of these areas.~~

7 ~~(ix) One semester of computer education, with at least 5% of~~  
 8 ~~the pupils in grades 9 through 12 enrolled in the course.~~

9 ~~The department may waive the requirements of subdivision (b)~~  
 10 ~~for a district with unusual circumstances that is making a good~~  
 11 ~~faith effort to comply with this subdivision and has a plan in~~  
 12 ~~place to meet the requirements during the following year.~~

13 In order to be eligible for the additional \$30.00 per pupil  
 14 permitted under this subsection, ~~unless it has received a waiver~~  
 15 ~~under subdivision (b),~~ a district shall submit to the department  
 16 not later than October 1, ~~1987~~ 1989, a resolution adopted by  
 17 its board indicating that the district complies with all of the  
 18 requirements of ~~either subdivision~~ SUBDIVISIONS (a) ~~or~~ AND  
 19 (b).

20 A primary or fourth class school district that sends its  
 21 resident high school pupils to 1 or more districts shall receive  
 22 the additional \$30.00 per pupil permitted under this subsection  
 23 if at least 90% of its resident high school pupils attend schools  
 24 in districts that satisfy the requirements of ~~either~~  
 25 ~~subdivision~~ SUBDIVISIONS (a) ~~or~~ AND (b). In this case, the  
 26 primary or fourth class district shall submit to the department

1 not later than October 1, ~~1987~~ 1989, a resolution adopted by  
2 its board indicating that it complies with this requirement.

3 ~~Beginning in 1988-89, a district shall qualify for a high~~  
4 ~~school curriculum incentive described in subdivision (b) only if~~  
5 ~~the district adopts the graduation requirements described in sub-~~  
6 ~~division (a) for pupils graduating in and after the 1991-92~~  
7 ~~school year.~~

8 ~~Beginning in 1989-90, a district shall qualify for a high~~  
9 ~~school curriculum incentive described in subdivision (b) only if~~  
10 ~~the district adopts the graduation requirements described in sub-~~  
11 ~~division (a) for pupils graduating in and after the 1991-92~~  
12 ~~school year and administers a state board approved employability~~  
13 ~~skills test.~~

14 In ~~1987-88~~ 1989-90, an additional \$14.00 per pupil in  
15 gross allowance shall be allocated to any district that satisfies  
16 the requirements specified in either of the following  
17 subdivisions:

18 (a) The district attains an average class size of not more  
19 than 25 pupils for grades K, 1, 2, and 3, taken collectively.

20 (b) The district reduces its average class size in grades K,  
21 1, 2, and 3, taken collectively, by at least 10% from the average  
22 class size in ~~1984-85~~ 1987-88.

23 For purposes of computing average class size, only the fol-  
24 lowing staff shall be counted:

25 (i) General subject classroom teachers, such as teachers of  
26 reading, language arts, mathematics, science or social studies,  
27 and kindergarten teachers.

1       (ii) Special subject teachers, such as teachers of art,  
2 music, or physical education, to the extent that they provide  
3 instruction to eligible pupils.

4       (iii) Special needs teachers, in areas such as compensatory  
5 education, bilingual education, migrant education, or gifted and  
6 talented education, to the extent that they provide instruction  
7 to eligible pupils. The following staff shall not be counted:

8       (A) Special education teachers.

9       (B) Adult education teachers.

10      (C) Professional or nonprofessional support staff.

11      (D) Teacher aides, paraprofessionals, or volunteers.

12      (E) Administrators or supervisors.

13      The department may waive the requirements of subdivision (a)  
14 or (b) for a district with unusual circumstances that is making a  
15 good faith effort to comply with either of these subdivisions and  
16 has a plan in place to meet the requirements for the following  
17 year.

18      In order to be eligible for the additional \$14.00 per pupil  
19 permitted under this subsection, unless it has received a waiver  
20 for subdivision (a) or (b), a district shall submit to the  
21 department not later than October 1, ~~1987~~ 1989, a resolution  
22 adopted by its board indicating that the district complies with  
23 the requirements of either subdivision (a) or (b).

24      (2) FOR ALLOCATIONS BEGINNING OCTOBER 1, 1990, THE \$2,956.00  
25 PER PUPIL OPERATIONAL EXPENDITURE LIMITATION PROVIDED FOR IN SUB-  
26 SECTION (1) SHALL BE ANNUALLY ADJUSTED BY A PERCENTAGE EQUAL TO  
27 THE PERCENTAGE CHANGE IN THE GROSS NATIONAL PRODUCT IN CONSTANT

1 DOLLARS AS DEFINED AND ANNUALLY PUBLISHED BY THE UNITED STATES  
2 DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS.

3 (3) FROM THE AMOUNT APPROPRIATED IN SECTION 11, THERE IS  
4 ALLOCATED TO EACH DISTRICT AN AMOUNT PER MEMBERSHIP PUPIL SUFFI-  
5 CIENT TO GUARANTEE THE DISTRICT FOR 1989-90 A PER PUPIL YIELD FOR  
6 EACH MILL LOCALLY LEVIED THAT IS EQUAL TO THAT WHICH WOULD BE  
7 RAISED BY A 1-MILL LEVY IN A DISTRICT AT THE STATE MEDIAN STATE  
8 EQUALIZED VALUATION PER PUPIL.

9 (4) ~~-(2)-~~ A district that supported a district library in  
10 1979-80 and continues to provide support for the district library  
11 through a millage levied pursuant to Act No. 164 of the Public  
12 Acts of 1955, as amended, being sections 397.271 to 397.276 of  
13 the Michigan Compiled Laws, shall be credited, for all computa-  
14 tions made under this section, with the amount of millage levied  
15 for library purposes, but not to exceed 0.7 mills, if the dis-  
16 trict levies not more than 0.7 mills less than its authorized  
17 operating millage rate.

18 (5) ~~-(3)-~~ State ~~equalization~~ allocations to a district  
19 UNDER THIS SECTION shall be adjusted by subtracting from the  
20 allocations money received under chapter 1124, 64 Stat. 1100, 20  
21 U.S.C. 236 to 244, in the same proportion as the total local rev-  
22 enues covered under the state equalization program are to total  
23 local revenues for education in the district, except that not  
24 more than \$160.00 per pupil shall be subtracted. The proportion  
25 shall be based on prior year revenue and prior year impact aid.  
26 A deduction in any year shall not exceed the amount of deductible  
27 impact aid for which a district is eligible. Any deductions made

1 under this act shall be consistent with the requirements of  
2 section 5 of chapter 1124, 64 Stat. 1100, 20 U.S.C. 240 and its  
3 regulations.

4 ~~(4) If the net allocation computed for a district pursuant~~  
5 ~~to subsection (1) is a negative amount, it shall be applied as a~~  
6 ~~deduction against any funds otherwise due the district under all~~  
7 ~~other sections of this act. However, the deduction made under~~  
8 ~~this subsection shall not exceed a percentage of a district's~~  
9 ~~total state aid entitlement under all other sections of this act,~~  
10 ~~which percentage is determined by dividing the gross allowance~~  
11 ~~computed for the district under subsection (1) by the product of~~  
12 ~~the district's state equalized valuation behind each membership~~  
13 ~~pupil and the millage utilized for computing the gross allowance~~  
14 ~~and then subtracting the result from 117%, except that the per-~~  
15 ~~centage shall not exceed 60%, and shall be applied after the fol-~~  
16 ~~lowing adjustments which shall be based upon per pupil or per~~  
17 ~~professional staff member cost in each program:~~

18 ~~(a) The categorical allocations for sections 52 and 61 shall~~  
19 ~~be reduced a proportionate amount for nonresident pupils, and the~~  
20 ~~categorical allocation for section 97 shall be reduced a propor-~~  
21 ~~tionate amount for each professional staff member not an employee~~  
22 ~~of the district.~~

23 ~~(b) The categorical allocations for section 52 shall be~~  
24 ~~increased a proportionate amount for pupils enrolled in a program~~  
25 ~~operated by another district or the intermediate district, and~~  
26 ~~the categorical allocation for section 97 shall be increased a~~  
27 ~~proportionate amount for each professional staff member~~



~~1 participating in a consortium of districts, or of districts and  
2 intermediate districts, where the legal fiscal agency is another  
3 district or intermediate district.~~

~~4 (5) Funds due under sections 53, 75, 143, 144, and 146 shall  
5 not be counted for purposes of subsection (4).~~

~~6 (6) The statewide deductions made under subsection (4) shall  
7 not exceed \$16,000,000.00 in 1987-88, \$11,000,000.00 in 1988-89,  
8 and \$6,000,000.00 in 1989-90. Subsections (4), (5), and (6)  
9 shall not apply after September 30, 1990.~~

10 (6) ~~(7)~~ A tax levied pursuant to section 1356(4) of the  
11 school code of 1976, Act No. 451 of the Public Acts of 1976,  
12 being section 380.1356 of the Michigan Compiled Laws, for the  
13 retirement of an operating deficit shall be considered levied for  
14 operating purposes in making computations under this section.

15 Sec. 35. (1) The tentative allocations as determined in  
16 section 34 shall be distributed among districts in decreasing  
17 order of concentration of eligible pupils as determined by sec-  
18 tion 33 until the money appropriated in section 31 is distributed  
19 if:

20 (a) The district has applied for the money on a form pro-  
21 vided by the department.

22 (b) The district has shown evidence of having established  
23 comparability among schools within the district pursuant to stan-  
24 dards established by the state board.

25 (c) The district is committed to the involvement of parents,  
26 teachers, and administrators in the planning and continuous

1 evaluation of compensatory education programs as conducted under  
2 this article.

3 (d) Each pupil participating in a program funded under this  
4 article is educationally deprived and was selected from among the  
5 lowest achievers.

6 (e) Each program funded under this article is based on per-  
7 formance objectives related to educational achievement and is  
8 evaluated in a manner consistent with those performance  
9 objectives.

10 (f) Each program funded under this article provides supple-  
11 mentary services designed to meet the unique education needs of  
12 the children who are participating.

13 (g) The district keeps those records and affords access to  
14 the records as is necessary to verify compliance with the  
15 requirements of this section.

16 (2) A district shall use the state funds for specifically  
17 identified pupils to supplement, and not supplant, the use of  
18 federal or local money.

19 (3) A participating school building having 50% or more of  
20 its pupils in grade 4 achieving less than 75% of Michigan educa-  
21 tion assessment program objectives in reading or math, or both,  
22 shall be designated a high-need building. The department shall  
23 determine the achievement gain of the high-need building's pupils  
24 funded under section 31 as measured by the approved evaluation  
25 criteria. If the average rate of achievement gain in reading or  
26 mathematics, or both, for the group is not greater than the  
27 previous year's compensatory education average rate of

1 achievement gain for that building, the district shall request  
2 consultant service from the department ~~beginning with the~~  
3 ~~1979-80 school year~~ and determine whether the building's deliv-  
4 ery system should be modified. A description of the delivery  
5 system and rationale for a program under this article for a  
6 high-need building with pupils funded under section 31, whose  
7 average rate of achievement gain does not exceed the previous  
8 year's compensatory education average rate of achievement gain  
9 for a period of 3 consecutive years after 1976-77, shall be sub-  
10 mitted by the district to the department for approval.

11 (4) The department shall monitor each program funded under  
12 this article to ensure that the requirements of this section are  
13 met. ~~A district subjected to a deduction under section 21(4),~~  
14 ~~shall not be required to allocate more, to a program funded under~~  
15 ~~this article, than an amount per eligible pupil that bears the~~  
16 ~~same relation to the amount specified in section 31 as the amount~~  
17 ~~actually received by the district under all sections of this act,~~  
18 ~~other than sections 53 and 143, bears to the amount that would~~  
19 ~~have been due the district under all sections of this act other~~  
20 ~~than sections 53 and 143 before the section 21(4) deduction.~~

21 Section 2. Section 25 of Act No. 94 of the Public Acts of  
22 1979, being section 388.1625 of the Michigan Compiled Laws, is  
23 repealed.

24 Section 3. This amendatory act shall take effect October 1,  
25 1989.

26 Section 4. This amendatory act shall not take effect unless  
27 Senate Joint Resolution K of the 84th Legislature becomes a part

1 of the state constitution of 1963 as provided in section 1 of  
2 article XII of the state constitution of 1963.