

HOUSE BILL No. 4697

April 16, 1991, Introduced by Reps. Dobb, Middleton, Bankes, Bouchard, Trim and Sparks and referred to the Committee on Education.

A bill to amend section 21 of Act No. 94 of the Public Acts of 1979, entitled as amended

"The state school aid act of 1979,"

as amended by Act No. 207 of the Public Acts of 1990, being section 388.1621 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 21 of Act No. 94 of the Public Acts of
2 1979, as amended by Act No. 207 of the Public Acts of 1990, being
3 section 388.1621 of the Michigan Compiled Laws, is amended to
4 read as follows:

5 Sec. 21. (1) Except as otherwise provided in this act, from
6 the amount appropriated in section 11, there is allocated to each
7 district an amount per membership pupil sufficient to guarantee
8 the district for 1990-91 a combined state-local yield or gross
9 allowance of \$266.00 plus \$90.00 for each mill of operating tax

1 levied. For purposes of this section, only taxes levied for
2 purposes included in the operation cost of the district as pre-
3 scribed in section 7 shall be considered operating tax. The net
4 allocation for each district shall be an amount per membership
5 pupil computed by subtracting, from the gross allowance guaran-
6 teed the district, the product of the district's state equalized
7 valuation behind each membership pupil and the millage utilized
8 for computing the gross allowance.

9 GRADUATION AND CLASS INCENTIVES

10 An additional \$30.00 per pupil in gross allowance shall be
11 allocated to any district that satisfies the requirements speci-
12 fied in subdivisions (a) and (b).

13 (a) The district requires pupils to have completed as a con-
14 dition for graduation in 1991-92 all of the following:

15 (i) A total of 10 years of English or communication skills,
16 mathematics, science, and social science, with not less than 2
17 years of each subject specified in this subparagraph.

18 (ii) One year of health, or consumer home economics essen-
19 tial health and living skills, or physical education, or any com-
20 bination thereof.

21 (iii) One year of fine or performing arts, foreign language,
22 or of vocational education or practical arts, or any combination
23 thereof.

24 (iv) One semester of computer education or the equivalent,
25 which may be demonstrated by the passage of an appropriate
26 computer competency test, as approved by the department.

1 If a class taught in a district reasonably falls within more
2 than 1 of the subject categories listed in subparagraphs (i) to
3 (iv), the district may determine which subject category the class
4 falls within as long as teacher certification requirements are
5 not violated.

6 (b) The district provides for its pupils in grades 9 through
7 12 at least six classes, each consisting of at least 50 minutes
8 of classroom instruction, or a total of not less than 300 minutes
9 of classroom instruction. In either case, at least 30% of the
10 pupils in grades 9 through 12 shall be enrolled in the last
11 period, with the last period being a class of an academic nature
12 that normally would be credited toward high school graduation.
13 This subdivision does not apply to pupils in grade 9 who do not
14 attend classes in the same building as pupils in grades 10
15 through 12.

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

20 In order to be eligible for the additional \$30.00 per pupil
21 permitted under this subsection, unless it has received a waiver
22 under subdivision (b), a district shall submit to the department,
23 not later than October 31, 1990, an official copy of the board
24 minutes indicating compliance with the requirements specified in
25 subdivisions (a) and (b).

26 A primary or fourth class school district that sends its
27 resident high school pupils to 1 or more districts shall receive

1 the additional \$30.00 per pupil permitted under this subsection
2 if at least 90% of its resident high school pupils attend schools
3 in districts that satisfy the requirements of either subdivision
4 (a) or (b). In this case, the primary or fourth class district
5 shall submit to the department not later than October 31, 1990,
6 a resolution adopted by its board indicating that it complies
7 with this requirement.

8 CLASS SIZE INCENTIVES

9 In 1990-91, an additional \$14.00 per pupil in gross allow-
10 ance shall be allocated to any district that satisfies the
11 requirements specified in either of the following subdivisions:

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

14 (b) The district reduces its average class size in grades K,
15 1, 2, and 3, taken collectively, by at least 1% from the average
16 class size in the immediately preceding school year.

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

19 (i) General subject classroom teachers, such as teachers of
20 reading, language arts, mathematics, science or social studies,
21 and kindergarten teachers.

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

25 (iii) Special needs teachers, in areas such as compensatory
26 education, bilingual education, migrant education, or gifted and

1 talented education, to the extent that they provide instruction
2 to eligible pupils. The following staff shall not be counted:

3 (A) Special education teachers.

4 (B) Adult education teachers.

5 (C) Professional or nonprofessional support staff.

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

7 (E) Administrators or supervisors.

8 The department may waive the requirements of subdivision (a)
9 or (b) for a district with unusual circumstances that is making a
10 good faith effort to comply with either of these subdivisions and
11 has a plan in place to meet the requirements for the following
12 year. However, the department shall not grant waivers to a dis-
13 trict in more than 2 consecutive school years.

14 In order to be eligible for the additional \$14.00 per pupil
15 permitted under this subsection, unless it has received a waiver
16 for subdivision (a) or (b), a district shall submit to the
17 department not later than October 31, 1990, a resolution adopted
18 by its board indicating that the district complies with the
19 requirements of either subdivision (a) or (b).

20 QUALITY INCENTIVES

21 In 1990-91, an additional \$25.00 per pupil in gross allow-
22 ance is allocated to a district that satisfies the requirements
23 of subdivisions (a) through (e) as follows:

24 (a) The district makes available to the state board and the
25 public an annual educational report and ensures that each school
26 in the district distributes to the public an annual education

1 report as described in section 1204a of the school code of 1976,
2 being section 380.1204a of the Michigan Compiled Laws. To be
3 eligible for quality incentive funds under this subsection, a
4 district shall submit to the department not later than
5 October 31, 1990 a board-adopted resolution indicating the
6 board's intent to comply with section 1204a of the school code of
7 1976, and not later than July 31, 1991, a copy of the annual edu-
8 cational report prepared and made available pursuant to section
9 1204a of the school code of 1976. An applicant district that
10 fails to comply with the July 31, 1991 requirement of this subdi-
11 vision shall have an appropriate state aid adjustment in the next
12 fiscal year.

13 (b) The district adopts and implements a 3- to 5-year school
14 improvement plan and continuing school improvement process for
15 each school within the district as described in section 1277 of
16 the school code of 1976, being section 380.1277 of the Michigan
17 Compiled Laws. To be eligible for quality incentive funds under
18 this subsection, a district shall submit to the department not
19 later than October 31, 1990 a board-adopted resolution indicating
20 that the district is developing a 3- to 5-year school improvement
21 plan and continuing school improvement process in compliance with
22 section 1277 of the school code of 1976, and not later than
23 July 31, 1991, a copy of the 3- to 5-year school improvement plan
24 and continuing school improvement process for each school within
25 the district. An applicant district that fails to comply with
26 the July 31, 1991 requirement of this subdivision shall have an
27 appropriate state aid adjustment in the next fiscal year.

1 (c) The district submits to the department not later than
2 October 31, 1990 a board-adopted resolution indicating that by
3 the start of the 1991-92 school year the district will make
4 available to all pupils attending public school in the district a
5 core curriculum as described in section 1278 of the school code
6 of 1976, being section 380.1278 of the Michigan Compiled Laws.

7 (d) The district submits to the department not later than
8 October 31, 1990 a board-adopted resolution indicating that the
9 board is taking steps to ensure that by the start of the 1992-93
10 school year each public school within the district will be
11 accredited as provided in section 1280 of the school code of
12 1976, being section 380.1280 of the Michigan Compiled Laws.

13 (e) If section 1282a of the school code of 1976 is enacted
14 into law, the district submits to the department not later than
15 January 31, 1991 a board-adopted resolution indicating that
16 beginning in 1991-92 the district will annually administer a
17 state board approved employability skills assessment as described
18 in that section.

19 (2) A district that supported a district library in 1979-80
20 and continues to provide support for the district library through
21 a millage levied pursuant to former Act No. 164 of the Public
22 Acts of 1955 ~~, as amended, being sections 397.271 to 397.276 of~~
23 ~~the Michigan Compiled Laws,~~ shall be credited, for all computa-
24 tions made under this section, with the amount of millage levied
25 for library purposes, but not to exceed 0.7 mills, if the dis-
26 trict levies not more than 0.7 mills less than its authorized
27 operating millage rate.

1 (3) State equalization allocations to a district shall be
2 adjusted by subtracting from the allocations money received under
3 section 3(c)(1) of title I of chapter 1124, 64 Stat. 1100, 20
4 U.S.C. 238, in the same proportion as the total local revenues
5 covered under the state equalization program are to total local
6 revenues for education in the district, except that not more than
7 the lesser of 50% of the money received under section 3(c)(1) of
8 title I of chapter 1124, 64 Stat. 1100, 20 U.S.C. 238 or \$160.00
9 per pupil shall be subtracted. The proportion shall be based on
10 prior year revenue and prior year impact aid. A deduction in any
11 year shall not exceed the amount of deductible impact aid for
12 which a district is eligible under section 3(c)(1) of title I of
13 chapter 1124, 64 Stat. 1100. Any deductions made under this act
14 shall be consistent with the requirements of section 5 of title I
15 of chapter 1124, 64 Stat. 1100, 20 U.S.C. 240 and its
16 regulations.

17 ~~(4) As used in subsection (5):~~

18 ~~(a) "Adjusted gross income behind each membership pupil" or~~
19 ~~"AGIpp" means in 1990-91 the calculation obtained by dividing the~~
20 ~~district's 1987 adjusted gross income, as certified by the~~
21 ~~department of treasury, by the district's 1989-90 pupil~~
22 ~~membership. Beginning in 1991-92 and each year thereafter, AGIpp~~
23 ~~means the calculation obtained by dividing the district's latest~~
24 ~~calendar year adjusted gross income for which data is available~~
25 ~~as of June 1 before the beginning of the fiscal year, as certi-~~
26 ~~fied by the department of treasury, by the district's pupil~~
27 ~~membership for the immediately preceding year.~~

1 ~~(b) "State average adjusted gross income per membership~~
2 ~~pupil" means the sum of the adjusted gross income of all dis-~~
3 ~~tricts, as certified by the department of treasury, divided by~~
4 ~~the total state pupil membership.~~

5 ~~(c) "State average millage rate" means the sum of the local~~
6 ~~operating revenue of all districts divided by the sum of the~~
7 ~~state equalized valuation of all districts.~~

8 ~~(d) "State average state equalized valuation behind each~~
9 ~~membership pupil" or "SEVpp" means the sum of the state equalized~~
10 ~~valuation of all districts divided by the total state pupil mem-~~
11 ~~bership as estimated by the department not later than October 1~~
12 ~~of each year.~~

13 ~~(5) If a district has more than 500 pupils and if the net~~
14 ~~allocation computed for a district pursuant to subsection (1) is~~
15 ~~a negative amount, it shall be applied as a deduction against any~~
16 ~~funds otherwise tentatively allocated to the district under all~~
17 ~~other sections of this act. However, the deduction made under~~
18 ~~this subsection shall not exceed a percentage of a district's~~
19 ~~total tentative state aid allocation under all other sections of~~
20 ~~this act, which percentage is determined by the district's state~~
21 ~~equalized valuation behind each membership pupil (SEVpp),~~
22 ~~adjusted gross income behind each membership pupil (AGIpp), and~~
23 ~~the millage rate utilized for computing the gross allowance.~~

24 ~~THE MILLAGE RATE IS LESS THAN 80% OF THE STATE AVERAGE~~

25 ~~If a district's millage rate utilized for computing the~~
26 ~~gross allowance is less than 80% of the immediately preceding~~

~~1 year's state average millage rate and the district's AGIpp is
2 less than or equal to 150% of the state average AGIpp, then the
3 percentage is equal to 1/3 of the sum of the state average AGIpp
4 divided by the district's AGIpp, subtracted from 1, plus 2 times
5 the difference between 1 and the state average SEVpp divided by
6 the district's SEVpp. However, if the district's SEVpp is less
7 than or equal to 200% but greater than 150% of the state average
8 SEVpp, then the district's SEVpp is divided into 2/3 of the state
9 average SEVpp, or if the district's SEVpp is greater than 200% of
10 the state average SEVpp, then the district's SEVpp is divided
11 into 1/3 of the state average SEVpp.~~

~~12 If a district's millage rate utilized for computing the
13 gross allowance is less than 80% of the immediately preceding
14 year's state average millage rate and the district's AGIpp is
15 less than or equal to 200% but greater than 150% of the state
16 average AGIpp, then the percentage is equal to 1/3 of the sum of
17 2/3 of the state average AGIpp divided by the district's AGIpp,
18 subtracted from 1, plus 2 times the difference between 1 and the
19 state average SEVpp divided by the district's SEVpp. However, if
20 the district's SEVpp is less than or equal to 200% but greater
21 than 150% of the state average SEVpp, then the district's SEVpp
22 is divided into 2/3 of the state average SEVpp, or if the
23 district's SEVpp is greater than 200% of the state average SEVpp,
24 then the district's SEVpp is divided into 1/3 of the state aver-
25 age SEVpp.~~

~~26 If a district's millage rate utilized for computing the
27 gross allowance is less than 80% of the immediately preceding~~

~~1 year's state average millage rate and the district's AGipp is
2 greater than 200% of the state average AGipp, then the percentage
3 is equal to $1/3$ of the sum of $1/3$ of the state average AGipp
4 divided by the district's AGipp, subtracted from 1, plus 2 times
5 the difference between 1 and the state average SEVpp divided by
6 the district's SEVpp. However, if the district's SEVpp is less
7 than or equal to 200% but greater than 150% of the state average
8 SEVpp, then the district's SEVpp is divided into $2/3$ of the state
9 average SEVpp, or if the district's SEVpp is greater than 200% of
10 the state average SEVpp, then the district's SEVpp is divided
11 into $1/3$ of the state average SEVpp.~~

~~12 THE MILLAGE RATE IS LESS THAN THE STATE AVERAGE BUT~~

~~13 GREATER THAN OR EQUAL TO 80% OF THE STATE AVERAGE~~

~~14 If a district's millage rate utilized for computing the
15 gross allowance is less than the immediately preceding year's
16 state average millage rate but greater than or equal to 80% of
17 the immediately preceding year's state average millage rate and
18 the district's AGipp is less than or equal to 150% of the state
19 average AGipp, then the percentage is equal to $1/2$ of the sum of
20 the state average AGipp divided by the district's AGipp, sub-
21 tracted from 1, plus the difference between 1 and the state
22 average SEVpp divided by the district's SEVpp. However, if the
23 district's SEVpp is less than or equal to 200% but greater than
24 150% of the state average SEVpp, then the district's SEVpp is
25 divided into $2/3$ of the state average SEVpp, or if the district's~~

~~1 SEVpp is greater than 200% of the state average SEVpp, then the
2 district's SEVpp is divided into $\frac{1}{3}$ of the state average SEVpp.~~

~~3 If a district's millage rate utilized for computing the
4 gross allowance is less than the immediately preceding year's
5 state average millage rate but greater than or equal to 80% of
6 the immediately preceding year's state average millage rate and
7 the district's AGIpp is less than or equal to 200% but greater
8 than 150% of the state average AGIpp, then the percentage is
9 equal to $\frac{1}{2}$ of the sum of $\frac{2}{3}$ of the state average AGIpp divided
10 by the district's AGIpp, subtracted from 1, plus the difference
11 between 1 and the state average SEVpp divided by the district's
12 SEVpp. However, if the district's SEVpp is less than or equal to
13 200% but greater than 150% of the state average SEVpp, then the
14 district's SEVpp is divided into $\frac{2}{3}$ of the state average SEVpp,
15 or if the district's SEVpp is greater than 200% of the state
16 average SEVpp, then the district's SEVpp is divided into $\frac{1}{3}$ of
17 the state average SEVpp.~~

~~18 If a district's millage rate utilized for computing the
19 gross allowance is less than the immediately preceding year's
20 state average millage rate but greater than or equal to 80% of
21 the immediately preceding year's state average millage rate and
22 the district's AGIpp is greater than 200% of the state average
23 AGIpp, then the percentage is equal to $\frac{1}{2}$ of the sum of $\frac{1}{3}$ of
24 the state average AGIpp divided by the district's AGIpp, sub-
25 tracted from 1, plus the difference between 1 and the state
26 average SEVpp divided by the district's SEVpp. However, if the
27 district's SEVpp is less than or equal to 200% but greater than~~

~~1 +50% of the state average SEVpp, then the district's SEVpp is~~
~~2 divided into 2/3 of the state average SEVpp, or if the district's~~
~~3 SEVpp is greater than 200% of the state average SEVpp, then the~~
~~4 district's SEVpp is divided into 1/3 of the state average SEVpp.~~

~~5 THE MILLAGE RATE IS GREATER THAN OR EQUAL TO THE STATE AVERAGE~~

~~6 If a district's millage rate utilized for computing the~~
~~7 gross allowance is greater than or equal to the immediately pre-~~
~~8 ceding year's state average millage rate and the district's AGIpp~~
~~9 is less than or equal to 150% of the state average AGIpp, then~~
~~10 the percentage is equal to 1/4 of the sum of the state average~~
~~11 AGIpp divided by the district's AGIpp, subtracted from 1, plus~~
~~12 the difference between 1 and the state average SEVpp divided by~~
~~13 the district's SEVpp, plus 2 times the difference between 1 and~~
~~14 the district millage rate utilized for computing the gross allow-~~
~~15 ance divided by the immediately preceding year's state average~~
~~16 millage rate. However, if the district's SEVpp is less than or~~
~~17 equal to 200% but greater than 150% of the state average SEVpp,~~
~~18 then the district's SEVpp is divided into 2/3 of the state aver-~~
~~19 age SEVpp, or if the district's SEVpp is greater than 200% of the~~
~~20 state average SEVpp, then the district's SEVpp is divided into~~
~~21 1/3 of the state average SEVpp.~~

~~22 If a district's millage rate utilized for computing the~~
~~23 gross allowance is greater than or equal to the immediately pre-~~
~~24 ceding year's state average millage rate and the district's AGIpp~~
~~25 is less than or equal to 200% but greater than 150% of the state~~
~~26 average AGIpp, then the percentage is equal to 1/4 of the sum of~~

~~1 2/3 of the state average AGIpp divided by the district's AGIpp,
2 subtracted from 1, plus the difference between 1 and the state
3 average SEVpp divided by the district's SEVpp, plus 2 times the
4 difference between 1 and the district millage rate utilized for
5 computing the gross allowance divided by the immediately preced-
6 ing year's state average millage rate. However, if the
7 district's SEVpp is less than or equal to 200% but greater than
8 +50% of the state average SEVpp, then the district's SEVpp is
9 divided into 2/3 of the state average SEVpp, or if the district's
10 SEVpp is greater than 200% of the state average SEVpp, then the
11 district's SEVpp is divided into 1/3 of the state average SEVpp.~~

~~12 If a district's millage rate utilized for computing the
13 gross allowance is greater than or equal to the immediately pre-
14 ceding year's state average millage rate and the district's AGIpp
15 is greater than 200% of the state average AGIpp, then the percen-
16 tage is equal to 1/4 of the sum of 1/3 of the state average AGIpp
17 divided by the district's AGIpp, subtracted from 1, plus the
18 difference between 1 and the state average SEVpp divided by the
19 district's SEVpp, plus 2 times the difference between 1 and the
20 district millage rate utilized for computing the gross allowance
21 divided by the immediately preceding year's state average millage
22 rate. However, if the district's SEVpp is less than or equal to
23 200% but greater than +50% of the state average SEVpp, then the
24 district's SEVpp is divided into 2/3 of the state average SEVpp,
25 or if the district's SEVpp is greater than 200% of the state
26 average SEVpp, then the district's SEVpp is divided into 1/3 of
27 the state average SEVpp.~~

1 ~~(6) The percentage obtained under subsection (5) shall not~~
2 ~~exceed 99%, and shall be applied after the following adjustments~~
3 ~~which shall be based upon per pupil or per professional staff~~
4 ~~member cost in each program:~~

5 ~~(a) The categorical allocations for sections 52 and 61 shall~~
6 ~~be reduced a proportionate amount for nonresident pupils, and the~~
7 ~~categorical allocation for section 97 shall be reduced a propor-~~
8 ~~tionate amount for each professional staff member not an employee~~
9 ~~of the district.~~

10 ~~(b) The categorical allocations for section 52 shall be~~
11 ~~increased a proportionate amount for pupils enrolled in a program~~
12 ~~operated by another district or the intermediate district, and~~
13 ~~the categorical allocation for section 97 shall be increased a~~
14 ~~proportionate amount for each professional staff member partici-~~
15 ~~pating in a consortium of districts, or of districts and interme-~~
16 ~~diate districts, where the legal fiscal agency is another dis-~~
17 ~~trict or intermediate district.~~

18 ~~(7) Funds due under sections 27, 53, 75, 143, and 144 shall~~
19 ~~not be counted for purposes of subsection (5).~~

20 ~~(8) The statewide deductions made under subsection (5) shall~~
21 ~~not exceed \$72,093,600.00 in 1990-91.~~

22 (4) ~~(9)~~ A tax levied pursuant to section 1356(4) of the
23 school code of 1976, ~~Act No. 451 of the Public Acts of 1976,~~
24 being section 380.1356 of the Michigan Compiled Laws, for the
25 retirement of an operating deficit shall be considered levied for
26 operating purposes in making computations under this section.