

HOUSE BILL No. 4972

June 17, 1991, Introduced by Reps. Nye, Oxender, Keith, Emerson, Middaugh, Gnodtke, Hoekman, Fitzgerald, Bartnik, Griffin, London, Martin, Jondahl, Bender, Dalman, Munsell, DeLange, Alley, Walberg, Scott, Middleton, Van Singel, Hoffman, Profit, Gilmer, Dolan, Harder, Perry Bullard and Strand and referred to the Committee on Taxation.

A bill to amend the title and sections 7, 13, 15, 17, 18, 21, 22, 24, 51, 81, 108, 111, 116, and 117 of Act No. 94 of the Public Acts of 1979, entitled as amended

"The state school aid act of 1979,"

section 7 as amended by Act No. 212 of the Public Acts of 1986, section 13 as amended by Act No. 320 of the Public Acts of 1980, sections 15, 17, 21, 22, 24, 51, 81, and 111 as amended by Act No. 207 of the Public Acts of 1990, sections 18 and 108 as amended by Act No. 197 of the Public Acts of 1989, and section 116 as amended by Act No. 218 of the Public Acts of 1983, being sections 388.1607, 388.1613, 388.1615, 388.1617, 388.1618, 388.1621, 388.1622, 388.1624, 388.1651, 388.1681, 388.1708, 388.1711, 388.1716, and 388.1717 of the Michigan Compiled Laws; and to repeal certain parts of the act.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 7, 13, 15, 17, 18, 21,
2 22, 24, 51, 81, 108, 111, 116, and 117 of Act No. 94 of the
3 Public Acts of 1979, section 7 as amended by Act No. 212 of the
4 Public Acts of 1986, section 13 as amended by Act No. 320 of the
5 Public Acts of 1980, sections 15, 17, 21, 22, 24, 51, 81, and 111
6 as amended by Act No. 207 of the Public Acts of 1990, sections 18
7 and 108 as amended by Act No. 197 of the Public Acts of 1989, and
8 section 116 as amended by Act No. 218 of the Public Acts of 1983,
9 being sections 388.1607, 388.1613, 388.1615, 388.1617, 388.1618,
10 388.1621, 388.1622, 388.1624, 388.1651, 388.1681, 388.1708,
11 388.1711, 388.1716, and 388.1717 of the Michigan Compiled Laws,
12 are amended to read as follows:

13 TITLE

14 An act to make appropriations to aid in the support of the
15 public schools and the intermediate school districts of the
16 state; to provide for the disbursement of the appropriations; ~~to~~
17 ~~supplement the school aid fund by the levy and collection of cer-~~
18 ~~tain taxes;~~ to prescribe the powers and duties of certain state
19 departments, the state board of education, and certain other
20 boards and officials; to prescribe penalties; and to repeal cer-
21 tain acts and parts of acts.

22 Sec. 7. Costs for school operating purposes include all of
23 the following expenditures from the general fund of a district or
24 from the operating funds of an intermediate district:

25 (a) Expenditures for instruction and support services,
26 including salaries and employee benefits of teachers and other

1 employees, purchased services, textbooks, and other supplies and
2 materials.

3 (b) Expenditures for furniture and equipment, for alter-
4 ations necessary to maintain school facilities in a safe and san-
5 itary condition, for funding the cost of energy conservation
6 improvements in school facilities, and for deficiencies in oper-
7 ating expenses for the preceding year.

8 (c) Expenditures for school lunch programs, bookstore opera-
9 tions, interscholastic athletics, community services, and cooper-
10 ative education projects.

11 (D) EXPENDITURES BY A DISTRICT FOR SERVICES AND PROGRAMS
12 PROVIDED TO THE DISTRICT OR PUPILS IN MEMBERSHIP IN THE DISTRICT
13 BY AN INTERMEDIATE DISTRICT.

14 Sec. 13. The apportionments and limitations of the appor-
15 tionments made under this act shall be made on the membership
16 ~~and number of teachers and other professionals approved by the~~
17 ~~superintendent of public instruction employed~~ as of the pupil
18 membership count day of each year. ~~, on the cost of pupil trans-~~
19 ~~portation for the preceding school year, and on the state equal-~~
20 ~~ized valuation and the operating millage of each district for the~~
21 ~~calendar year. Apportionments shall be made under this act for~~
22 ~~teachers and other personnel approved by the superintendent of~~
23 ~~public instruction in special education programs and services~~
24 ~~initiated after the pupil membership count day pursuant to sec-~~
25 ~~tion 53.~~ In addition, a district maintaining school during the
26 entire year, as provided in section 1561 of the school code of
27 1976, BEING SECTION 380.1561 OF THE MICHIGAN COMPILED LAWS, shall

1 count memberships ~~and teachers~~ pursuant to rules promulgated by
2 the state board.

3 Sec. 15. (1) If a district or intermediate district fails
4 to receive its proper apportionment, the department, upon satis-
5 factory proof that the district or intermediate district was
6 entitled justly, shall apportion the deficiency in the next
7 apportionment. If a district or intermediate district has
8 received more than its proper apportionment, the department, upon
9 satisfactory proof, shall deduct the excess in the next
10 apportionment. ~~, except that a deduction due to an adjustment~~
11 ~~by the state tax commission in the equalized valuation of a dis-~~
12 ~~trict or intermediate district shall be made in the apportionment~~
13 ~~for the fiscal year following the fiscal year in which the state~~
14 ~~tax commission finalizes the valuation.~~

15 (2) A deduction, due to an adjustment as a result of an
16 audit conducted by the department, except as specified in subsec-
17 tion (3), shall be deducted from the district's apportionments
18 within a 3-year period beginning in the fiscal year in which the
19 adjustment is finalized. The department may grant an additional
20 2 years if the district would otherwise experience a hardship.

21 (3) A deduction, due to an adjustment as a result of an
22 audit conducted after September 30, 1987 by or for the department
23 with respect to adult education programs, shall be deducted from
24 the district's apportionments within a 1-year period beginning in
25 the fiscal year in which the adjustment is finalized. The
26 department may grant an additional 1 year if the district
27 provides satisfactory evidence of a hardship.

1 Sec. 17. (1) Not later than October 1, December 1, February
2 1, April 1, June 1, and August 1, the department shall prepare a
3 statement of the amount to be distributed, exclusive of federal
4 social security payments, in the installment to the districts and
5 intermediate districts and deliver the statement to the state
6 treasurer, and the state treasurer shall pay the installments on
7 each of those dates or on the next business day following each of
8 those dates. Except for section 22(2), the portion of the
9 district's or intermediate district's state fiscal year entitle-
10 ment to be included in each installment shall be 20%, 19%, 17%,
11 16%, 15%, and 13%, respectively. Section 22(2) allocations shall
12 be paid in full in the October payment. The state treasurer
13 shall make payment under this section by drawing a warrant in
14 favor of the treasurer of each district or intermediate district
15 for the amount payable to the district or intermediate district
16 according to the statement and delivering the warrant to the
17 treasurer of each district or intermediate district or, beginning
18 December 1, 1990, if the state treasurer receives a written
19 request by the treasurer of the district or intermediate district
20 specifying an account, by electronic funds transfer to that
21 account of the amount payable to the district or intermediate
22 district according to the statement. The department may make
23 adjustments in payments made under this section through addi-
24 tional payments when changes in law or errors in computation
25 cause the regularly scheduled payment to be less than the amount
26 to which the district or intermediate district is entitled
27 pursuant to this act. For the 1989-90 school fiscal year only, a

1 district or intermediate district may consider the amount
2 distributed on August 1 of the next school fiscal year to be con-
3 tinuously allocated for either the immediately preceding or cur-
4 rent school fiscal year for state accounting purposes. A dis-
5 trict or intermediate district that chooses to allocate the
6 August 1 payment to the immediately preceding school fiscal year
7 shall notify in writing the department of its decision not later
8 than October 16, 1990. Any district or intermediate district
9 that does not so notify the department shall continue to allocate
10 the August 1 payment for state accounting purposes to the current
11 school fiscal year in which the payments are received under the
12 payment schedule of this section. If a district experiences an
13 increase in membership over the prior year, the August 1 payment
14 shall be recomputed so that the district receives credit for the
15 increased membership in the school fiscal year, with the addi-
16 tional amount due the district to be allocated in the February 1,
17 April 1, or June 1 payments or any combination of these
18 payments. However, this additional amount shall then be deducted
19 from the district's subsequent August 1 payment, so that the
20 state pays the district no more, in the state's fiscal year, than
21 the district's proper entitlement under this act.

22 (2) Payments made pursuant to subsection (1) shall be
23 adjusted so that districts and intermediate districts receive, in
24 addition, in their 1982-83 school fiscal year those amounts by
25 which their 1982-83 school fiscal year payments were reduced due
26 to executive order 1982-13. Payments in subsequent fiscal years
27 shall be adjusted so that districts and intermediate districts

1 receive not later than October 31 of their school fiscal year
2 those amounts by which the payments of that school fiscal year
3 were reduced due to this subsection.

4 (3) Payments made pursuant to subsection (1) shall be
5 adjusted so that districts and intermediate districts receive, in
6 addition, in their 1983-84 school fiscal year 60% of those
7 amounts by which their 1983-84 school fiscal year payments were
8 reduced due to Executive Order 1983-5. Payments in subsequent
9 fiscal years shall be adjusted so that districts and intermediate
10 districts receive not later than October 31 for each school
11 fiscal year those amounts by which the payments of that school
12 fiscal year were reduced due to this subsection.

13 (4) In order to ensure that all districts and intermediate
14 districts receive the adjustments provided for in subsections (2)
15 and (3), the department may make any necessary adjustments in
16 individual district and intermediate district payments.

17 ~~(5) Monthly payments to assist employer districts or~~
18 ~~employer intermediate districts in meeting their federal social~~
19 ~~security contribution obligations shall be disbursed by the state~~
20 ~~treasurer pursuant to section 146. The department shall prepare~~
21 ~~a monthly statement of the amount to be distributed to the dis-~~
22 ~~tricts or intermediate districts and deliver the statement to the~~
23 ~~state treasurer. The state treasurer shall make payment under~~
24 ~~this section by drawing a warrant in favor of the treasurer of~~
25 ~~each district or intermediate district for the amount payable to~~
26 ~~the district or intermediate district according to the statement~~
27 ~~and delivering the warrant to the treasurer of each district or~~

~~1 intermediate district or, beginning December 1, 1990, if the
2 state treasurer receives a written request by the treasurer of
3 the district or intermediate district specifying an account, by
4 electronic funds transfer to that account of the amount payable
5 to the district or intermediate district according to the
6 statement.~~

~~7 (6) For the 1990-91 state fiscal year, if a district files
8 a statement with the state treasurer not later than August 15,
9 1990 certifying that the district expects the amount of indus-
10 trial facility tax levied under Act No. 198 of the Public Acts of
11 1974, being sections 207.551 to 207.571 of the Michigan Compiled
12 Laws, to exceed state school aid payments under section 21(1) in
13 the 1990-91 state fiscal year and the district's industrial
14 facility tax payment exceeded state school aid payments under
15 section 21(1) in the 1989-90 state fiscal year, the October 1
16 school aid payment shall be increased by the amount by which the
17 state treasurer certifies that the industrial facility tax will
18 exceed the payments under section 21(1). However, the amount of
19 the increase shall not exceed the amount by which the industrial
20 facility tax exceeded section 21(1) state school aid payments in
21 the 1989-90 state fiscal year. If the state tax commission cer-
22 tifies that industrial facility tax collections for a district
23 subject to this subsection are less than the total amount of the
24 payments the district received under section 21(1), the differ-
25 ence shall be deducted from the August 1 school aid payment.~~

~~26 Sec. 18. (1) Except as provided in articles 3, 4, 6, and~~
~~27 14, each district shall apply the money received by the district~~

1 under this act to salaries of teachers and other employees,
2 tuition, transportation, lighting, heating, ventilation, water
3 service, the purchase of textbooks which are designated by the
4 board to be used in the schools under the board's charge, other
5 supplies, PAYMENT TO INTERMEDIATE DISTRICTS FOR SERVICES AND PRO-
6 GRAMS PROVIDED TO THE DISTRICT AND ITS PUPILS, and any other
7 school operating expenditures defined in section 7. Except for a
8 district affected by section 22(2), an amount equal to not more
9 than 5% of the total amount received by a district under article
10 2 may be transferred by the board to either the building and site
11 fund or to the debt retirement fund for debt service for debts
12 contracted after December 8, 1932. The money shall not be
13 applied or taken for a purpose other than as provided in this
14 section. The department shall determine the reasonableness of
15 expenditures and may withhold from a district the apportionment
16 otherwise due for the fiscal year following the discovery by the
17 department of a violation by the district.

18 (2) For the purpose of determining the reasonableness of
19 expenditures and whether a violation of this act has occurred,
20 the department shall require that each district have an audit of
21 the district's financial and pupil accounting records at least
22 annually at the expense of the district by a certified public
23 accountant or by the intermediate district superintendent, as may
24 be required by the department, or in the case of a district of
25 the first class by a certified public accountant, the intermedi-
26 ate superintendent, or the auditor general of the city. The
27 audits and management letters shall be subject to rules

1 prescribed by the state board, in consultation with the state
2 auditor general. A copy of the report of each audit shall be
3 filed as required by the state board and shall be available to
4 the public in compliance with the freedom of information act, Act
5 No. 442 of the Public Acts of 1976, as amended, being sections
6 15.231 to 15.246 of the Michigan Compiled Laws.

7 Sec. 21. ~~-(+)~~ Except as otherwise provided in this act,
8 from the amount appropriated in section 11, there is allocated to
9 each district ~~an amount~~ \$5,000.00 per membership pupil.
10 ~~sufficient to guarantee the district for 1990-91 a combined~~
11 ~~state local yield or gross allowance of \$266.00 plus \$90.00 for~~
12 ~~each mill of operating tax levied. For purposes of this section,~~
13 ~~only taxes levied for purposes included in the operation cost of~~
14 ~~the district as prescribed in section 7 shall be considered oper-~~
15 ~~ating tax. The net allocation for each district shall be an~~
16 ~~amount per membership pupil computed by subtracting, from the~~
17 ~~gross allowance guaranteed the district, the product of the~~
18 ~~district's state equalized valuation behind each membership pupil~~
19 ~~and the millage utilized for computing the gross allowance. THE~~
20 LEGISLATURE SHALL INCREASE THIS PER PUPIL AMOUNT EACH FISCAL YEAR
21 BY AT LEAST THE SAME PERCENTAGE AS THE PERCENTAGE THAT THE REVE-
22 NUE DEDICATED BY LAW TO THE STATE SCHOOL AID FUND ESTABLISHED IN
23 SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 HAS
24 INCREASED FROM THE IMMEDIATELY PRECEDING FISCAL YEAR.

25 GRADUATION AND CLASS INCENTIVES

26 An ~~additional~~ AMOUNT EQUAL TO \$30.00 per pupil ~~in gross~~
27 ~~allowance~~ shall be ~~allocated to any~~ DEDUCTED FROM THE

1 ALLOCATION TO A district that ~~satisfies~~ DOES NOT SATISFY the
2 requirements specified in subdivisions (a) and (b).

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

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

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

11 (iii) One year of fine or performing arts, foreign language,
12 or of vocational education or practical arts, or any combination
13 thereof.

14 (iv) One semester of computer education or the equivalent,
15 which may be demonstrated by the passage of an appropriate com-
16 puter competency test, as approved by the department.

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

22 (b) The district provides for its pupils in grades 9 through
23 12 at least six classes, each consisting of at least 50 minutes
24 of classroom instruction, or a total of not less than 300 minutes
25 of classroom instruction. In either case, at least 30% of the
26 pupils in grades 9 through 12 shall be enrolled in the last
27 period, with the last period being a class of an academic nature

1 that normally would be credited toward high school graduation.
2 This subdivision does not apply to pupils in grade 9 who do not
3 attend classes in the same building as pupils in grades 10
4 through 12.

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

9 In order to ~~be eligible for the additional~~ AVOID THE
10 \$30.00 per pupil ~~permitted~~ DEDUCTION under this ~~subsection~~
11 SECTION, unless it has received a waiver under subdivision (b), a
12 district shall submit to the department, not later than October
13 31, ~~+1990-~~ 1991, an official copy of the board minutes indicating
14 compliance with the requirements specified in subdivisions (a)
15 and (b).

16 A primary or fourth class school district that sends its
17 resident high school pupils to 1 or more districts shall ~~receive~~
18 ~~the additional~~ NOT BE SUBJECT TO THE \$30.00 per pupil
19 ~~permitted~~ DEDUCTION under this ~~subsection~~ SECTION if at least
20 90% of its resident high school pupils attend schools in dis-
21 tricts that satisfy the requirements of either subdivision (a) or
22 (b). In this case, the primary or fourth class district shall
23 submit to the department not later than October 31, ~~+1990-~~ 1991,
24 a resolution adopted by its board indicating that it complies
25 with this requirement.

26 CLASS SIZE INCENTIVES

1 ~~In 1990-91, an additional~~ AN AMOUNT EQUAL TO \$14.00 per
2 pupil ~~in gross allowance~~ shall be ~~allocated to any~~ DEDUCTED
3 FROM THE ALLOCATION TO A district that ~~satisfies~~ DOES NOT
4 SATISFY the requirements specified in either of the following
5 subdivisions:

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

8 (b) The district reduces its average class size in grades K,
9 1, 2, and 3, taken collectively, by at least 1% from the average
10 class size in the immediately preceding school year.

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

13 (i) General subject classroom teachers, such as teachers of
14 reading, language arts, mathematics, science or social studies,
15 and kindergarten teachers.

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

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

23 (A) Special education teachers.

24 (B) Adult education teachers.

25 (C) Professional or nonprofessional support staff.

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

(E) Administrators or supervisors.

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

In order to ~~be eligible for the additional~~ AVOID THE \$14.00 per pupil ~~permitted~~ DEDUCTION under this ~~subsection~~ SECTION, unless it has received a waiver for subdivision (a) or (b), a district shall submit to the department not later than October 31, ~~1990~~ 1991, a resolution adopted by its board indicating that the district complies with the requirements of either subdivision (a) or (b).

QUALITY INCENTIVES

~~In 1990-91, an additional~~ AN AMOUNT EQUAL TO \$25.00 per pupil ~~in gross allowance is allocated~~ SHALL BE DEDUCTED FROM THE ALLOCATION to a district that ~~satisfies~~ DOES NOT SATISFY the requirements of subdivisions (a) through (e) as follows:

(a) The district makes available to the state board and the public an annual educational report and ensures that each school in the district distributes to the public an annual education report as described in section 1204a of the school code of 1976, being section 380.1204a of the Michigan Compiled Laws. To ~~be eligible for quality incentive funds~~ AVOID THE \$25.00 PER PUPIL DEDUCTION under this ~~subsection~~ SECTION, a district shall submit to the department not later than October 31, ~~1990~~ 1991 a

1 board-adopted resolution indicating the board's intent to comply
2 with section 1204a of the school code of 1976, and not later than
3 July 31, 1991, a copy of the annual educational report prepared
4 and made available pursuant to section 1204a of the school code
5 of 1976. An applicant district that fails to comply with the
6 July 31, 1991 requirement of this subdivision shall have an
7 appropriate state aid adjustment in the next fiscal year.

8 (b) The district adopts and implements a 3- to 5-year school
9 improvement plan and continuing school improvement process for
10 each school within the district as described in section 1277 of
11 the school code of 1976, being section 380.1277 of the Michigan
12 Compiled Laws. To ~~be eligible for quality incentive funds~~
13 AVOID THE \$25.00 DEDUCTION under this ~~subsection~~ SECTION, a
14 district shall submit to the department not later than
15 October 31, ~~+1990~~ 1991 a board-adopted resolution indicating
16 that the district is developing a 3- to 5-year school improvement
17 plan and continuing school improvement process in compliance with
18 section 1277 of the school code of 1976, and not later than
19 July 31, 1991, a copy of the 3- to 5-year school improvement plan
20 and continuing school improvement process for each school within
21 the district. An applicant district that fails to comply with
22 the July 31, 1991 requirement of this subdivision shall have an
23 appropriate state aid adjustment in the next fiscal year.

24 (c) The district submits to the department not later than
25 October 31, ~~+1990~~ 1991 a board-adopted resolution indicating
26 that by the start of the 1991-92 school year the district will
27 make available to all pupils attending public school in the

1 district a core curriculum as described in section 1278 of the
2 school code of 1976, being section 380.1278 of the Michigan
3 Compiled Laws.

4 (d) The district submits to the department not later than
5 October 31, ~~1990~~ 1991 a board-adopted resolution indicating
6 that the board is taking steps to ensure that by the start of the
7 1992-93 school year each public school within the district will
8 be accredited as provided in section 1280 of the school code of
9 1976, being section 380.1280 of the Michigan Compiled Laws.

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

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

25 ~~(3) State equalization allocations to a district shall be~~
26 ~~adjusted by subtracting from the allocations money received under~~
27 ~~section 3(c)(1) of title I of chapter 1124, 64 Stat. 1100, 20~~

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

~~14 (4) As used in subsection (5):~~

~~15 (a) "Adjusted gross income behind each membership pupil" or~~
~~16 "AGIpp" means in 1990-91 the calculation obtained by dividing the~~
~~17 district's 1987 adjusted gross income, as certified by the~~
~~18 department of treasury, by the district's 1989-90 pupil~~
~~19 membership. Beginning in 1991-92 and each year thereafter, AGIpp~~
~~20 means the calculation obtained by dividing the district's latest~~
~~21 calendar year adjusted gross income for which data is available~~
~~22 as of June 1 before the beginning of the fiscal year, as certi-~~
~~23 fied by the department of treasury, by the district's pupil mem-~~
~~24 bership for the immediately preceding year.~~

~~25 (b) "State average adjusted gross income per membership~~
~~26 pupil" means the sum of the adjusted gross income of all~~

~~1 districts, as certified by the department of treasury, divided by
2 the total state pupil membership.~~

~~3 (c) "State average millage rate" means the sum of the local
4 operating revenue of all districts divided by the sum of the
5 state equalized valuation of all districts.~~

~~6 (d) "State average state equalized valuation behind each
7 membership pupil" or "SEVpp" means the sum of the state equalized
8 valuation of all districts divided by the total state pupil mem-
9 bership as estimated by the department not later than October 1
10 of each year.~~

~~11 (5) If a district has more than 500 pupils and if the net
12 allocation computed for a district pursuant to subsection (1) is
13 a negative amount, it shall be applied as a deduction against any
14 funds otherwise tentatively allocated to the district under all
15 other sections of this act. However, the deduction made under
16 this subsection shall not exceed a percentage of a district's
17 total tentative state aid allocation under all other sections of
18 this act, which percentage is determined by the district's state
19 equalized valuation behind each membership pupil (SEVpp),
20 adjusted gross income behind each membership pupil (AGIpp), and
21 the millage rate utilized for computing the gross allowance.~~

~~22 THE MILLAGE RATE IS LESS THAN 80% OF THE STATE AVERAGE~~

~~23 If a district's millage rate utilized for computing the
24 gross allowance is less than 80% of the immediately preceding
25 year's state average millage rate and the district's AGIpp is
26 less than or equal to 150% of the state average AGIpp, then the
27 percentage is equal to 1/3 of the sum of the state average AGIpp~~

1 divided by the district's AGIpp, subtracted from 1, plus 2 times
2 the difference between 1 and the state average SEVpp divided by
3 the district's SEVpp. However, if the district's SEVpp is less
4 than or equal to 200% but greater than 150% of the state average
5 SEVpp, then the district's SEVpp is divided into $\frac{2}{3}$ of the state
6 average SEVpp, or if the district's SEVpp is greater than 200% of
7 the state average SEVpp, then the district's SEVpp is divided
8 into $\frac{1}{3}$ of the state average SEVpp.

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

23 If a district's millage rate utilized for computing the
24 gross allowance is less than 80% of the immediately preceding
25 year's state average millage rate and the district's AGIpp is
26 greater than 200% of the state average AGIpp, then the percentage
27 is equal to $\frac{1}{3}$ of the sum of $\frac{1}{3}$ of the state average AGIpp

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

~~9 THE MILLAGE RATE IS LESS THAN THE STATE AVERAGE BUT~~

~~10 GREATER THAN OR EQUAL TO 80% OF THE STATE AVERAGE~~

~~11 If a district's millage rate utilized for computing the~~
~~12 gross allowance is less than the immediately preceding year's~~
~~13 state average millage rate but greater than or equal to 80% of~~
~~14 the immediately preceding year's state average millage rate and~~
~~15 the district's AGipp is less than or equal to 150% of the state~~
~~16 average AGipp, then the percentage is equal to 1/2 of the sum of~~
~~17 the state average AGipp divided by the district's AGipp, sub-~~
~~18 tracted from 1, plus the difference between 1 and the state~~
~~19 average SEVpp divided by the district's SEVpp. However, if the~~
~~20 district's SEVpp is less than or equal to 200% but greater than~~
~~21 150% of the state average SEVpp, then the district's SEVpp is~~
~~22 divided into 2/3 of the state average SEVpp, or if the district's~~
~~23 SEVpp is greater than 200% of the state average SEVpp, then the~~
~~24 district's SEVpp is divided into 1/3 of the state average SEVpp.~~

~~25 If a district's millage rate utilized for computing the~~
~~26 gross allowance is less than the immediately preceding year's~~
~~27 state average millage rate but greater than or equal to 80% of~~

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

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

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

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

18 ~~If a district's millage rate utilized for computing the~~
 19 ~~gross allowance is greater than or equal to the immediately pre-~~
 20 ~~ceding year's state average millage rate and the district's AGIpp~~
 21 ~~is less than or equal to 200% but greater than 150% of the state~~
 22 ~~average AGIpp, then the percentage is equal to 1/4 of the sum of~~
 23 ~~2/3 of the state average AGIpp divided by the district's AGIpp,~~
 24 ~~subtracted from 1, plus the difference between 1 and the state~~
 25 ~~average SEVpp divided by the district's SEVpp, plus 2 times the~~
 26 ~~difference between 1 and the district millage rate utilized for~~
 27 ~~computing the gross allowance divided by the immediately~~

~~1 preceding year's state average millage rate. However, if the
2 district's SEVpp is less than or equal to 200% but greater than
3 +50% of the state average SEVpp, then the district's SEVpp is
4 divided into 2/3 of the state average SEVpp, or if the district's
5 SEVpp is greater than 200% of the state average SEVpp, then the
6 district's SEVpp is divided into 1/3 of the state average SEVpp.~~

~~7 If a district's millage rate utilized for computing the
8 gross allowance is greater than or equal to the immediately pre-
9 ceding year's state average millage rate and the district's AGIpp
10 is greater than 200% of the state average AGIpp, then the percen-
11 tage is equal to 1/4 of the sum of 1/3 of the state average AGIpp
12 divided by the district's AGIpp, subtracted from 1, plus the
13 difference between 1 and the state average SEVpp divided by the
14 district's SEVpp, plus 2 times the difference between 1 and the
15 district millage rate utilized for computing the gross allowance
16 divided by the immediately preceding year's state average millage
17 rate. However, if the district's SEVpp is less than or equal to
18 200% but greater than +50% of the state average SEVpp, then the
19 district's SEVpp is divided into 2/3 of the state average SEVpp,
20 or if the district's SEVpp is greater than 200% of the state
21 average SEVpp, then the district's SEVpp is divided into 1/3 of
22 the state average SEVpp.~~

~~23 (6) The percentage obtained under subsection (5) shall not
24 exceed 99%, and shall be applied after the following adjustments
25 which shall be based upon per pupil or per professional staff
26 member cost in each program.~~

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

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

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

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

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

23 Sec. 22. (1) A district formed after January 1, 1990 by the
 24 consolidation or annexation of 2 or more districts or the attach-
 25 ment of a total district to another district is entitled to
 26 receive in 1990-91 the same total allocation under section
 27 ~~-21(+)~~ 21 that the individual districts that make up the new

1 district would have been entitled to receive in 1990-91 as
2 separate districts.

3 (2) From the money appropriated in section 11, there is
4 allocated an amount not to exceed \$350,000.00 for 1990-91 for
5 districts formed by the consolidation or annexation of 2 or more
6 districts or the attachment of a total district to another dis-
7 trict after November 1, 1982. In order to be eligible to receive
8 reorganization payments, districts shall have been formed by the
9 consolidation or annexation of 2 or more districts or the attach-
10 ment of a total district to another district not later than the
11 second Monday in June immediately preceding the fiscal year in
12 which the payments are to be received. Payments to eligible
13 reorganized districts shall be, in the first year of the reorga-
14 nization, the sum of \$850.00 per pupil for each transferred pupil
15 in membership on the pupil membership count day or tuition pupil
16 as provided for in section 111 in the school fiscal year immedi-
17 ately preceding the reorganization in the district contributing
18 the least number of pupils to the reorganized district, \$600.00
19 per each such pupil in the second year of the reorganization, and
20 \$350.00 per each such pupil in the third year of the
21 reorganization. As an alternative an eligible reorganized dis-
22 trict resulting from the merger of 3 or more total districts may
23 elect a payment that shall be \$850.00 per pupil in the first year
24 of the reorganization for each transferred pupil in membership on
25 the pupil membership count date or tuition pupil as provided for
26 in section 111 in the school fiscal year immediately preceding
27 the reorganization in the districts other than the district

1 contributing the largest number of pupils to the reorganized
2 district, \$600.00 per each such pupil in the second year of the
3 reorganization, and \$350.00 per each such pupil in the third year
4 of the reorganization, except that payment shall not be made for
5 more than 1,000 pupils to any 1 reorganized district under this
6 alternative provision. Payments made to reorganized districts
7 under this subsection shall not exceed 3 years.

8 Sec. 24. (1) A pupil under court jurisdiction who is placed
9 in a private home or in a private or public institution located
10 outside the district in which the pupil's parents or legal guard-
11 ians reside may be counted as a resident of the district of
12 attendance if other than the district of the pupil's parents or
13 legal guardian. The pupil shall be counted by the district of
14 attendance as 1-1/2 memberships. The total membership of these
15 pupils shall be computed by adding the membership days attended
16 by the pupils before April 1 of the current school year and
17 dividing the total by the number of days in the school year of
18 the district before April 1 of the current school year. ~~Except~~
19 ~~as provided in subsection (2), the~~ THE membership thus obtained
20 shall be certified by the district to the department, which shall
21 adjust the total membership of the district accordingly in deter-
22 mining the school aid to be paid during the current fiscal year.

23 ~~(2) In districts not receiving aid under section 21(1), the~~
24 ~~membership for these students shall be counted in membership in~~
25 ~~the intermediate district. For each pupil, the intermediate dis-~~
26 ~~trict shall receive under section 21(1) a membership aid gross~~
27 ~~allowance computed by averaging the actual membership aid gross~~

~~1 allowances of the intermediate district's constituent districts~~
~~2 weighted as to membership. The resulting membership aid shall be~~
~~3 paid by the intermediate district to the district.~~

4 (2) ~~(3)~~ Intermediate districts operating programs for
5 children in homes operated by the juvenile division of the pro-
6 bate court under section 628 of the school code of 1976, being
7 section 380.628 of the Michigan Compiled Laws, are allowed 1-1/2
8 memberships using the formula described in subsection (1) and
9 shall receive membership aid ~~as computed under subsection (2)~~
10 ACCORDING TO THE PER PUPIL AMOUNT SPECIFIED IN SECTION 21. Funds
11 received under this section may be used to employ regular educa-
12 tion personnel employed to meet the educational needs of these
13 pupils.

14 ~~(4) Special education pupils funded under section 53 shall~~
15 ~~not be counted under this section.~~

16 Sec. 51. (1) There is allocated ~~\$174,355,000.00~~ for
17 1990-91 ~~to consist of an amount not to exceed \$121,355,000.00~~
18 ~~from the amount appropriated in section 11 and~~ \$53,000,000.00 in
19 federal funding under sections 611 to 620 of the education of the
20 handicapped act, TITLE VI OF PUBLIC LAW 91-230, 20 U.S.C. 1411 to
21 1420 plus any carryover federal funds from previous year appro-
22 priations, for the purpose of reimbursing districts and interme-
23 diate districts for special education programs, services, and
24 special education personnel as prescribed in article 3 of the
25 school code of 1976, BEING SECTIONS 380.1701 TO 380.1766 OF THE
26 MICHIGAN COMPILED LAWS; net tuition payments made by intermediate
27 districts to the Michigan school for the blind and the Michigan

1 school for the deaf; and programs for pupils handicapped by
2 learning disabilities as defined by the department. For meeting
3 the costs of special education programs and services not reim-
4 bursed under this article, a district or intermediate district
5 may use money in general funds or special education funds, not
6 otherwise restricted, or contributions from districts to interme-
7 diate districts, tuition payments, gifts and contributions from
8 individuals, or federal funds that may be available for this pur-
9 pose, as determined by the intermediate district plan prepared
10 pursuant to article 3 of the school code of 1976.

11 ~~(2) State funds shall be allocated on an added cost basis.~~
12 Federal funds shall be allocated under applicable federal
13 requirements, except that an amount not to exceed \$4,000,000.00
14 may be allocated by the department to districts or intermediate
15 districts on a grant basis for programs, equipment, and services
16 designed to benefit or improve special education on a statewide
17 scale.

18 ~~(3) From the amount allocated in section 51(1), there is~~
19 ~~allocated an amount not to exceed \$3,100,000.00 for 1990-91 to~~
20 ~~reimburse 100% of the net increase in necessary costs incurred by~~
21 ~~a district or intermediate district in implementing the revisions~~
22 ~~in the administrative rules for special education that became~~
23 ~~effective on July 1, 1987. As used in this subsection, "net~~
24 ~~increase in necessary costs" means the necessary additional costs~~
25 ~~incurred solely because of new or revised requirements in the~~
26 ~~administrative rules minus cost savings permitted in implementing~~

~~1 the revised rules. Net increase in necessary costs shall be~~
~~2 determined in a manner specified by the department.~~

~~3 (4) For purposes of this article:~~

~~4 (a) "Added costs" shall be computed by deducting, from the~~
~~5 total approved costs of special education programs and services,~~
~~6 a gross allowance for each full time equated special education~~
~~7 pupil counted in membership in the district or intermediate dis-~~
~~8 trict whose primary educational or training program, as deter-~~
~~9 mined by the department, is a special education program and serv-~~
~~10 ice as defined in section 6(7) of the school code of 1976.~~

~~11 (b) "Total approved costs of special education programs and~~
~~12 services" shall be determined in a manner specified by the~~
~~13 department and may include indirect costs, but shall not exceed~~
~~14 115% of approved direct costs for section 52 and section 53~~
~~15 programs. They shall not include salaries or other compensation~~
~~16 paid to administrative personnel who are not special education~~
~~17 personnel as defined in section 6(6) of the school code of 1976.~~
~~18 Costs reimbursed by federal funds, other than those federal funds~~
~~19 included in the allocation made under this article, shall not be~~
~~20 included. Special education approved personnel not utilized full~~
~~21 time in the evaluation of students or in the delivery of special~~
~~22 education programs, ancillary, and other related services shall~~
~~23 be reimbursed under this section only for that portion of time~~
~~24 actually spent providing these programs and services, with the~~
~~25 exception of special education programs and services provided to~~
~~26 youth placed in juvenile detention facilities as defined in~~
~~27 R 340.1757 of the Michigan administrative code. Only salaries~~

~~1 and other compensation paid teacher aides required in rules
2 promulgated by the department or as otherwise approved by the
3 department shall be included.~~

~~4 (c) Reimbursement for ancillary and other related services,
5 as defined by R 340.1701 of the Michigan administrative code,
6 shall not be provided when those services are covered and avail-
7 able by private group health insurance carriers or federally
8 reimbursed program sources. Expenses, other than the incidental
9 expense of filing, shall not be borne by the parent. In addi-
10 tion, the filing of claims shall not delay the education of a
11 pupil. A school district shall be responsible for payment of a
12 deductible amount and for an advance payment required until the
13 time a claim is paid.~~

~~14 (d) A "membership aid gross allowance" shall be computed
15 pursuant to section 21(1).~~

16 (3) A pupil who is enrolled in a full-time special education
17 program conducted or administered by an intermediate district or
18 a pupil who is enrolled in the Michigan school for the blind or
19 the Michigan school for the deaf shall not be included in the
20 membership count of a district, but shall be counted in member-
21 ship in the intermediate district of residence. A district oper-
22 ating a center program for pupils from several districts, pursu-
23 ant to an approved intermediate district plan, may elect to have
24 the pupils counted in membership in the intermediate district.
25 For each ~~pupil~~ OF THOSE PUPILS, the intermediate district shall
26 receive THE PER PUPIL AID SPECIFIED under section 21. ~~21(1) a~~
27 ~~membership aid gross allowance computed by averaging the actual~~

~~1 membership aid gross allowances of the intermediate district's
2 constituent districts weighted as to membership. However, mem-
3 bership aid shall not be paid to intermediate districts for
4 pupils who are residents of districts not receiving a membership
5 allocation under section 21(1) and who are enrolled in programs
6 funded under section 52, unless they are enrolled in a center
7 program or are eligible as court placed pupils under section
8 24(2).—~~

~~9 (e) The contribution of the resident district, if a pupil's
10 special education program is operated by another district or by
11 an intermediate district, shall be determined as follows:~~

~~12 (i) If the district receives an allocation under section
13 21(1) and the pupil is educated in a district not receiving an
14 allocation under section 21(1), by subtracting categorical aid
15 and the intermediate district reimbursement for each pupil from
16 the total cost of the education program.~~

~~17 (ii) If the district receives an allocation under section
18 21(1) and the pupil is educated in a district receiving an allo-
19 cation under section 21(1), by subtracting the gross state aid
20 membership allowance, categorical aid, and the intermediate dis-
21 trict reimbursement for each pupil from the total cost of the
22 education program.~~

~~23 (iii) If the district does not receive an allocation under
24 section 21(1), by subtracting categorical aid and the intermedi-
25 ate district reimbursement for each pupil from the total cost of
26 the education program.—~~

1 (4) ~~-(5)-~~ Special education personnel transferred from 1
 2 district to another to implement the school code of 1976 shall be
 3 entitled to the rights, benefits, and tenure to which the person
 4 would otherwise be entitled had that person been employed by the
 5 receiving district originally.

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

13 Sec. 81. (1) From the amount appropriated in section 11,
 14 there is allocated to the intermediate districts the sum neces-
 15 sary, but not to exceed \$22,300,000.00 for 1990-91, to provide
 16 state aid to intermediate districts. There shall be allocated to
 17 each intermediate district an amount ~~obtained by adding 105% of~~
 18 ~~the prior year's aid received under this section and 105% of the~~
 19 ~~product of the prior year's state equalized valuation and the~~
 20 ~~prior year's operating millage, and subtracting from that sum the~~
 21 ~~product of the current year's state equalized valuation and the~~
 22 ~~prior year's operating millage. However, an intermediate dis-~~
 23 ~~trict shall not receive less than an amount per pupil equal to~~
 24 ~~100% of the 1989-90 aid per pupil received under this section.~~
 25 EQUAL TO THE TOTAL AMOUNT OF LOCAL PROPERTY TAX REVENUE RECEIVED
 26 BY THE INTERMEDIATE DISTRICT IN THE 1991-92 FISCAL YEAR FROM
 27 MILLAGE LEVIED BY THE INTERMEDIATE DISTRICT.

1 (2) From the amount appropriated in section 11, there is
 2 allocated to an intermediate district, formed by the consolida-
 3 tion or annexation of 2 or more intermediate districts or the
 4 attachment of a total intermediate district to another intermedi-
 5 ate school district or the annexation of all of the constituent
 6 K-12 districts of a previously existing intermediate school dis-
 7 trict which has disorganized, an additional allotment of
 8 \$3,500.00 for each intermediate district included in the new
 9 intermediate district for 3 years following consolidation, annex-
 10 ation, or attachment.

11 ~~(3) From the amount appropriated in section 11, there is~~
 12 ~~allocated an amount not to exceed \$200,000.00 for 1990-91 to~~
 13 ~~applicant intermediate districts that provide support services~~
 14 ~~for instruction in arts education. An applicant district may~~
 15 ~~apply for a \$25,000.00 grant pursuant to guidelines and criteria~~
 16 ~~for selection, as developed by the department, which assure~~
 17 ~~regional representation for all schools according to geographical~~
 18 ~~and population consideration. Funds received under this subsec-~~
 19 ~~tion shall be designated for reimbursement of salaries of support~~
 20 ~~services personnel approved by the department or of expenditures~~
 21 ~~to support program costs as approved by the department.~~

22 Sec. 108. (1) A district operating an adult education pro-
 23 gram ~~and receiving an allocation under section 21(1)~~ shall:

24 (a) Provide the program within the geographic boundaries of
 25 the district.

26 (b) Develop course descriptions for all adult basic and high
 27 school completion courses approved by the board of education

1 which shall be available for review by the department not later
2 than October 1 of each school year.

3 (c) Have on file a planned program for adult basic education
4 or a planned program for a high school diploma, or both, for each
5 individual enrolled in an adult basic education program or adult
6 high school completion program, or both, comparable to planned
7 programs maintained for a pupil in the regular program of the
8 district.

9 (d) Ensure that the adult high school completion program is
10 comparable to the requirements and standards of other high school
11 completion programs in that district. If modifications are made
12 in programs or courses, or both, to accommodate adult needs, spe-
13 cific rationale for the modifications shall be available for
14 review.

15 (e) Maintain pupil records comparable to those maintained
16 for the regular high school program of that district.

17 (f) Submit to the department not later than October 30 each
18 year a report describing the district's activities in the fiscal
19 year ending the immediately preceding September 30 that pertain
20 to requirements set forth in subdivisions (d) and (e).

21 (2) Two or more K to 12 districts may conduct adult educa-
22 tion programs on a cooperative basis. Cooperating districts
23 shall enter into an annual written agreement which shall cover
24 all of the high school completion programs and adult basic educa-
25 tion programs offered within the participating districts.
26 Exceptions to this provision may be made with the approval of the
27 department. An agreement shall include the educational,

1 administrative, management, operational, and financial matters
2 concerning adult education programs and services offered by all
3 the participating districts. One district shall be designated in
4 the agreement as the administrator of the adult education cooper-
5 ative program and shall operate the program as a direct extension
6 of the district, except that the pupils enrolled in the program
7 may be counted on the pupil membership count day of the district
8 in which the pupils' classes are held. The district serving as
9 the administrator of the adult education program shall pay only
10 reasonable fees for services, facilities, and utilities provided
11 directly to the program by a cooperative district. These fees
12 shall reflect only actual costs to the cooperating district. No
13 other payments may be made to a cooperating district by the dis-
14 trict serving as the administrator of the adult education
15 program. The fee schedule to be paid by the administrative dis-
16 trict of the adult education program shall be included as part of
17 the annual written agreement between cooperating districts. The
18 administrative district shall maintain for 5 years records of
19 fees paid under the agreement. The funds generated by the admin-
20 istering district shall be used to support actual reasonable
21 costs of the adult education programs in the cooperative program
22 with the exception that administering districts may use revenues
23 in addition to that needed to meet the costs of the adult educa-
24 tion program to provide supplemental services within the consor-
25 tium in the areas of early childhood education, alternative edu-
26 cation, dropout prevention, community education, teen parent

1 programs for youth, or other department-approved education
2 programs.

3 ~~(3) A district which does not receive an allocation under~~
4 ~~section 21(1), with the approval of the department, may enter~~
5 ~~into a cooperative arrangement with a district which receives~~
6 ~~membership aid for the purpose of obtaining educational services~~
7 ~~for adult pupils. These cooperative arrangements shall meet the~~
8 ~~same conditions as those listed in subsection (2).~~

9 ~~(4) A district which operates an adult education program~~
10 ~~under subsection (2) and enrolls pupils from districts not~~
11 ~~receiving an allocation under section 21(1) or not levying oper-~~
12 ~~ating millage equal to or greater than that of the district which~~
13 ~~operates the program shall receive for those pupils the lesser of~~
14 ~~the following gross allowances:~~

15 ~~(a) The operating district's gross allowance.~~

16 ~~(b) A gross allowance computed by averaging the actual gross~~
17 ~~allowances weighted as to membership of the constituent districts~~
18 ~~in the intermediate district of the operating district.~~

19 Sec. 111. (1) Except as provided in section 113, a district
20 having tuition pupils enrolled on the pupil membership count day
21 of each year shall charge the district in which the tuition
22 pupils reside the tuition rate computed under section 1401 of the
23 school code of 1976, being section 380.1401 of the Michigan
24 Compiled Laws, except tuition shall not be charged for adult
25 part-time pupils. The resulting tuition rates shall be reduced
26 by the ~~gross~~ per pupil membership guarantee provided under
27 section 21. ~~21(1), except that the following districts shall~~

~~1 charge the full per capita operating cost determined under~~
~~2 section 1401 of the school code of 1976 for tuition pupils other~~
~~3 than special education pupils served in center programs.~~

~~4 (a) A district not receiving a membership allowance under~~
~~5 section 21(1).~~

~~6 (b) A district that would not receive a membership allowance~~
~~7 under section 21(1) if tuition pupils were not included in mem-~~
~~8 bership in the receiving district.~~

~~9 (c) A district enrolling pupils, other than special educa-~~
~~10 tion pupils, who reside in a district that is legally liable for~~
~~11 the payment of the tuition and levies a lower operating millage~~
~~12 than the district enrolling the pupils.~~

~~13 (2) A district enrolling pupils who reside in a district~~
~~14 that does not receive a membership allowance under section 21(1)~~
~~15 shall charge the resident district the full per capita operating~~
~~16 costs. This subdivision does not apply to pupils receiving 1/2~~
~~17 or less of their instruction in a district or districts other~~
~~18 than their district of residence.~~

~~19 (3) A pupil for whom the full per capita operating cost, as~~
~~20 determined under section 1401 of the school code of 1976, is~~
~~21 charged as tuition under subsection (1) or (2) shall not be~~
~~22 counted in membership in the receiving district for purposes of~~
~~23 calculating state aid allocations under sections 21(1) and 143.~~
~~24 A pupil for whom the full per capita operating cost, as deter-~~
~~25 mined under section 1401 of the school code of 1976, is paid by~~
~~26 the pupil's district of residence under subsection (1) or (2)~~
~~27 shall be counted in membership in the pupil's district of~~

1 ~~residence solely for purposes of calculating state aid~~
2 ~~allocations under sections 21(1) and 143.~~

3 ~~(4) A district that counts pupils in membership pursuant to~~
4 ~~subsections (2) and (3), upon approval by the department, may~~
5 ~~count only the number of pupils necessary to obtain an allocation~~
6 ~~under section 21(1). In this instance, the educating district~~
7 ~~shall count all additional pupils.~~

8 ~~(5) Special education tuition pupils enrolled in center pro-~~
9 ~~grams in a district not receiving a net allocation under section~~
10 ~~21(1) shall be counted in membership in the intermediate district~~
11 ~~to which the district is constituent, and the resulting member-~~
12 ~~ship aid shall be paid by the intermediate district to the~~
13 ~~receiving district and deducted from the tuition rates charged~~
14 ~~the sending district.~~

15 (2) An additional allowance for nonpublic, nonresident
16 pupils in part-time membership shall be made to the district
17 receiving nonpublic, nonresident pupils in an amount equal to the
18 difference between the per capita cost as determined under sec-
19 tion 1401 of the school code of 1976 and the ~~gross~~ PER PUPIL
20 allowance calculated under section ~~21(1)~~ 21.

21 Sec. 116. A district ~~receiving aid under section 21(1)~~
22 ~~and~~ having American Indian pupils in attendance, who reside
23 within the district and upon a United States government Indian
24 reservation, shall be allowed in addition to the allowances pro-
25 vided by the other sections of this act an amount equal to the
26 number of those pupils in attendance times 1/2 the tuition rate
27 as computed under section 111 and under section 1401 of the

1 school code of 1976, BEING SECTION 380.1401 OF THE MICHIGAN
2 COMPILED LAWS.

3 Sec. 117. A district shall not be allotted or paid a sum
4 under this act unless the district charges the legal amount of
5 tuition for tuition pupils enrolled on the pupil membership count
6 day of each year from the districts in which the tuition pupils
7 reside and has certified that fact to the department. If no dis-
8 trict is legally liable for the payment of the tuition and the
9 tuition has not been collected from the parents or guardians of
10 the tuition pupils before July 1 of each year, the number of
11 those pupils shall be deducted from the membership of the
12 district. ~~and the allowances as provided in section 21(1) shall~~
13 ~~be recomputed accordingly.~~ A district which enrolls and educates
14 pupils who are residents of another district due to uncertainty
15 as to the boundary of a district, and which serves notice to the
16 resident district where the pupils must attend school in subse-
17 quent school years, shall not forfeit membership allowances. ~~or~~
18 ~~recalculate allowances under section 21(1).~~

19 Section 2. Sections 12, 25 to 48, 52 to 75, 83, 90 to 98,
20 105a, 121 to 144, 146, and 151 of Act No. 94 of the Public Acts
21 of 1979, being sections 388.1612, 388.1625 to 388.1648, 388.1652
22 to 388.1675, 388.1683, 388.1690 to 388.1698, 388.1705a, 388.1721
23 to 388.1744, 388.1746, and 388.1751 of the Michigan Compiled
24 Laws, are repealed.

25 Section 3. This amendatory act shall not take effect unless
26 all of the following bills of the 86th Legislature are enacted
27 into law:

- 1 (a) Senate Bill No. _____ or House Bill No. 4965
2 (request no. 01586'91 a).
- 3 (b) Senate Bill No. _____ or House Bill No. 4966
4 (request no. 01148'91).
- 5 (c) Senate Bill No. _____ or House Bill No. 4970
6 (request no. 01149'91).
- 7 (d) Senate Bill No. _____ or House Bill No. 4964
8 (request no. 01150'91).
- 9 (e) Senate Bill No. _____ or House Bill No. _____
10 (request no. 01151'91).
- 11 (f) Senate Bill No. _____ or House Bill No. 4967
12 (request no. 01152'91).
- 13 (g) Senate Bill No. _____ or House Bill No. 4971
14 (request no. 01587'91).
- 15 (h) Senate Bill No. _____ or House Bill No. 4969
16 (request no. 01587'91 a).