



# HOUSE BILL No. 4300

February 18, 1993, Introduced by Rep. Porreca 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. 148 of the Public Acts of 1992, 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. 148 of the Public Acts of 1992, 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 appropriation in section 11, there is allocated to each dis-  
7 trict an amount per membership pupil sufficient to guarantee the  
8 district for 1992-93 a combined state-local yield or gross  
9 allowance of \$268.00 plus \$96.27 for each mill of operating tax



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

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

7 (iii) One year of fine or performing arts, foreign language,  
8 or of vocational education or practical arts, or any combination  
9 thereof.

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

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

18 (b) The district provides for its pupils in grades 9 through  
19 12 at least six classes, each consisting of at least 50 minutes  
20 of classroom instruction, or a total of not less than 300 minutes  
21 of classroom instruction. In either case, at least 30% of the  
22 pupils in grades 9 through 12 shall be enrolled in the last  
23 period, with the last period being a class of an academic nature  
24 that normally would be credited toward high school graduation.  
25 This subdivision does not apply to pupils in grade 9 who do not  
26 attend classes in the same building as pupils in grades 10  
27 through 12.

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

5 In order to be eligible for the additional \$30.00 per pupil  
6 permitted under this subsection, unless it has received a waiver  
7 under subdivision (b), a district shall submit to the department,  
8 not later than October 31, 1992, a board-adopted resolution indi-  
9 cating compliance with the requirements specified in subdivisions  
10 (a) and (b).

11 A primary or fourth class school district that sends its  
12 resident high school pupils to 1 or more districts shall receive  
13 the additional \$30.00 per pupil permitted under this subsection  
14 if at least 90% of its resident high school pupils attend schools  
15 in districts that satisfy the requirements of subdivisions (a)  
16 and (b). In this case, the primary or fourth class district  
17 shall submit to the department not later than October 31, 1992,  
18 a resolution adopted by its board indicating that it complies  
19 with this requirement.

20 CLASS SIZE INCENTIVES

21 In 1992-93, an additional \$14.00 per pupil in gross allow-  
22 ance is allocated to any district that satisfies the requirements  
23 specified in either of the following subdivisions:

24 (a) The district attains an average class size in each  
25 building of not more than 25 pupils for grades K, 1, 2, and 3,  
26 taken collectively.

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

5 If 1 or more buildings in a district do not meet the average  
6 class size incentive requirement of not more than 25 pupils for  
7 grades K, 1, 2, and 3, taken collectively, and the district has  
8 not received a waiver from the department for the requirements of  
9 subdivision (a) or (b), the district's allocation shall be  
10 reduced by \$14.00 multiplied by the number of K-6 pupils in each  
11 of those buildings.

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

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

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

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

24 (A) Special education teachers.

25 (B) Adult education teachers.

26 (C) Professional or nonprofessional support staff.

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

2 (E) Administrators or supervisors.

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

9 In order to be eligible for the additional \$14.00 per pupil  
10 permitted under this subsection, unless it has received a waiver  
11 for subdivision (a) or (b), a district shall submit to the  
12 department not later than October 31, 1992, a resolution adopted  
13 by its board indicating that the district complies with the  
14 requirements of either subdivision (a) or (b). In addition, the  
15 district shall report its average class size in grades K, 1, 2,  
16 and 3 in each building that houses those grades on the pupil mem-  
17 bership count day and on the subsequent membership reporting day  
18 specified in section 3(2).

19 LOCAL DISTRICT FOREIGN LANGUAGE INCENTIVES

20 In 1992-93, an additional \$5.00 per pupil in gross allowance  
21 is allocated for the establishment or expansion of foreign lan-  
22 guage study programs to each district that meets the following  
23 requirements. The district shall submit to the department not  
24 later than October 31, 1992 a board-adopted resolution indicating  
25 that the district will establish or expand the study of foreign  
26 language by pupils in the elementary grades or middle or junior

1 high school grades, or both. To be eligible for funding under  
2 this incentive, the district shall offer the foreign language  
3 program or programs during the regular school day or immediately  
4 preceding or following the regular school day. The resolution  
5 required under this incentive shall be accompanied by a plan that  
6 describes all of the following:

7 (a) How the district will achieve foreign language outcomes  
8 defined in the core curriculum.

9 (b) How the pupil selection process will ensure pupils in  
10 the elementary grades or middle or junior high school grades, or  
11 both, fair access to the instructional study of foreign  
12 language.

13 (c) How the district will ensure substantial continuity or  
14 uninterrupted sequence of foreign language studies from the ele-  
15 mentary grade levels or middle or junior high school grade  
16 levels, or both, through the high school grade levels.

17 (d) How the district will account for the incentive alloca-  
18 tion to ensure that at least \$5.00 per pupil is used to establish  
19 or expand the study of foreign language by pupils in the elemen-  
20 tary or middle or junior high school grades, or both.

21 (e) Whether the foreign language program will be offered  
22 during the regular school day or immediately preceding or follow-  
23 ing the regular school day.

#### 24 LOCAL DISTRICT ADMINISTRATIVE EFFICIENCY INCENTIVES

25 In 1993-94, an additional \$5.00 per pupil in gross allowance  
26 shall be allocated to each district that has per pupil

1 administrative expenditures in the 1992-93 school year that are  
2 less than 105% of the average per pupil administrative expendi-  
3 ture for all districts, using the administrative expenditures and  
4 pupil counts reported by districts for the 1992-93 school year.  
5 Administrative expenditures consist of salary and benefits for  
6 the personnel associated with the K-12 portion of the following  
7 form B function account codes, as determined by the department,  
8 except for federally funded or categorical funded portions of the  
9 salary and benefits:

- 10 (a) Function account code 232 - executive administration.  
11 (b) Function account code 252 - fiscal services.  
12 (c) Function account code 283 - staff services.

13 **QUALITY INCENTIVES**

14 In 1992-93, an additional \$25.00 per pupil in gross allow-  
15 ance is allocated to a district that satisfies the requirements  
16 of subdivisions (a) through (e), as follows:

- 17 (a) The district makes available to the state board and the  
18 department, through the intermediate district, and to the public  
19 an annual educational report and ensures that each school in the  
20 district distributes to the public an annual education report as  
21 described in section 1204a of the school code of 1976, being  
22 section 380.1204a of the Michigan Compiled Laws. To be eligible  
23 for quality incentive funds under this subsection, a district  
24 shall submit to the department not later than October 31, 1992 a  
25 board-adopted resolution indicating the board's intent to comply  
26 with section 1204a of the school code of 1976, and shall submit

1 to the department not later than July 31, 1991 for quality  
2 incentive funding for the 1990-91 fiscal year and not later than  
3 September 1 for funding under this subsection for a subsequent  
4 fiscal year a copy of the annual educational report prepared and  
5 made available pursuant to section 1204a of the school code of  
6 1976. In addition, the district shall make available to the  
7 public the annual educational report not later than October 15.  
8 An applicant district that fails to comply with the requirements  
9 of this subdivision shall have an appropriate state aid adjust-  
10 ment in the next state fiscal year.

11 (b) The district adopts and implements a 3- to 5-year school  
12 improvement plan and continuing school improvement process for  
13 each school within the district as described in section 1277 of  
14 the school code of 1976, being section 380.1277 of the Michigan  
15 Compiled Laws. To be eligible for quality incentive funds under  
16 this subsection, a district shall have submitted to the depart-  
17 ment not later than October 31 of the state fiscal year a  
18 board-adopted resolution indicating that the district has devel-  
19 oped a 3- to 5-year school improvement plan and continuing school  
20 improvement process in compliance with section 1277 of the school  
21 code of 1976, and shall submit not later than September 1 of each  
22 fiscal year a copy of the 3- to 5-year school improvement plan  
23 and continuing school improvement process for each school within  
24 the district. An applicant district that fails to comply with  
25 the September 1 requirement of this subdivision shall have an  
26 appropriate state aid adjustment in the next state fiscal year.

1 (c) The district makes available in 1991-92 to all pupils  
2 attending public school in the district a core curriculum as  
3 described in section 1278 of the school code of 1976, being sec-  
4 tion 380.1278 of the Michigan Compiled Laws, in at least 1 of the  
5 curricular areas specified in the recommended model core curricu-  
6 lum approved by the state board. In 1992-93, the district shall  
7 make available to all pupils attending public school in the dis-  
8 trict a core curriculum in at least 2 of those curricular areas.  
9 In each succeeding state fiscal year until a core curriculum is  
10 made available to its pupils in all of the curricular areas, the  
11 district shall make available to its pupils a core curriculum in  
12 at least 1 curricular area in addition to the curricular areas  
13 for which a core curriculum was available in the immediately pre-  
14 ceding state fiscal year. For each state fiscal year, the dis-  
15 trict also shall specify to the department by September 1 before  
16 the beginning of the state fiscal year the curricular area or  
17 areas that are to be made available and the specific outcomes to  
18 be achieved in each curricular area for elementary, middle, and  
19 secondary levels for all pupils. In addition, the district shall  
20 submit to the department not later than October 31 a  
21 board-adopted resolution indicating the district's compliance  
22 with the requirements of this subdivision.

23 (d) The district submits to the department not later than  
24 October 31, 1992 a board-adopted resolution indicating that by  
25 the start of the 1992-93 school year each public school within  
26 the district ~~will be~~ IS accredited or ~~be~~ in the process of  
27 becoming accredited as provided in section 1280 of the school

1 code of 1976, being section 380.1280 of the Michigan Compiled  
2 Laws.

3 (e) The district submits to the department not later than  
4 October 31, 1992 a board-adopted resolution indicating that  
5 beginning in 1992-93 the district will annually administer a  
6 state board approved employability skills assessment as described  
7 in the school code of 1976.

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

17 (3) State equalization allocations to a district shall be  
18 adjusted by subtracting from the allocations money received under  
19 section 3(c)(1) of title I of chapter 1124, 64 Stat. ~~1100~~ 1102,  
20 20 U.S.C. 238, in the same proportion as the total local revenues  
21 covered under the state equalization program are to total local  
22 revenues for education in the district, except that not more than  
23 the lesser of 50% of the money received under section 3(c)(1) of  
24 title I of chapter 1124, 64 Stat. ~~1100~~ 1102, 20 U.S.C. 238, or  
25 \$160.00 per pupil shall be subtracted. The proportion shall be  
26 based on prior year revenue and prior year impact aid. A  
27 deduction in any year shall not exceed the amount of deductible

1 impact aid for which a district is eligible under section 3(c)(1)  
2 of title I of chapter 1124, 64 Stat. ~~1100~~ 1102, 20 U.S.C. 238.  
3 Any deductions made under this act shall be consistent with the  
4 requirements of section 5 of title I of chapter 1124, 64  
5 Stat. ~~1100~~ 1106, 20 U.S.C. 240, and its regulations.

6 (4) As used in subsection (5):

7 (a) "In-formula district" means a district that receives  
8 membership aid under subsection (1), unless the district is eli-  
9 gible to file a statement under section 17b(6) for the state  
10 fiscal year.

11 (b) "Local district AGI" means in 1992-93 the result  
12 obtained by dividing the district's latest calendar year adjusted  
13 gross income for which data is available as of June 1 before the  
14 beginning of the fiscal year, as certified by the department of  
15 treasury, by the total number of state income tax returns by res-  
16 idents of the district for that calendar year, as certified by  
17 the department of treasury.

18 (c) "Out-of-formula district" means a district with 500 or  
19 more pupils that does not receive membership aid under  
20 subsection (1) or that is eligible to file a statement under  
21 section 17b(6) for the state fiscal year.

22 (d) "State average AGI" means the sum of the adjusted gross  
23 income of all local districts, as certified by the department of  
24 treasury, divided by the number of all state income tax returns  
25 that identify a local district, as certified by the department of  
26 treasury.

1 (e) "State average millage rate" means the sum of the local  
2 operating revenue of all districts divided by the sum of the  
3 state equalized valuation of all districts.

4 (5) Subject to subsection (8), if a district has 500 or more  
5 pupils and if the net allocation computed for a district pursuant  
6 to subsection (1) is a negative amount, there shall be a deduc-  
7 tion against any funds otherwise tentatively allocated to the  
8 district under all other sections of this act. In 1991-92, if  
9 section 752 or 753 of the school code of 1976, being sections  
10 380.752 and 380.753 of the Michigan Compiled Laws, is in effect  
11 not later than October 15, 1991, the total amount of the deduc-  
12 tion under this subsection combined with a deduction under any  
13 other provision of this act that provides for a deduction applied  
14 against a district's allocation in a manner that treats  
15 out-of-formula districts differently than in-formula districts  
16 shall be not more than the deduction under this subsection for  
17 the district in the 1990-91 state fiscal year reduced by an  
18 amount equal to \$1.00 for every \$2.00 that the district has paid  
19 in tax base sharing payments under section 752 or 753 of the  
20 school code of 1976 in the school fiscal year ending in the  
21 1992-92 state fiscal year.

22 Subject to section 17b(9), beginning in 1993-94 and in each  
23 succeeding state fiscal year, if section 752 or 753 of the school  
24 code of 1976 is in effect in the state fiscal year, the total  
25 amount of the deduction under this subsection combined with a  
26 deduction under any other provision of this act that provides for  
27 a deduction applied against a district's allocation in a manner

1 that treats out-of-formula districts differently than in-formula  
 2 districts shall be not more than the deduction for the district  
 3 in the 1990-91 state fiscal year reduced by an amount equal to  
 4 the amount that the district has paid in tax base sharing pay-  
 5 ments under section 752 or 753 of the school code of 1976 and  
 6 that has been disbursed to in-formula districts under section 752  
 7 or 753 of the school code of 1976 in the school fiscal year  
 8 ending in the state fiscal year for which the deduction is  
 9 applied.

10 For 1992-93, or for another state fiscal year if neither  
 11 section 752 nor 753 of the school code of 1976 is in effect in  
 12 that other state fiscal year, there shall not be any reduction  
 13 made for tax base sharing payments and the deduction made under  
 14 this subsection shall be a percentage of a district's total ten-  
 15 tative state aid allocation under all other sections of this act,  
 16 which percentage is determined by the following formula:

17 Deduction percentage =  $100 \times (1 - [( \text{gross allowance per pupil} \div \text{local revenue per pupil} ) \times ( \text{local millage rate for the} \div \text{state average millage rate for the immediately preceding year} ) \times ( \text{state average AGI} \div \text{the local district AGI} ) ] )$ .

22 (6) In a state fiscal year in which the percentage deduction  
 23 is applied under subsection (5), the percentage obtained under  
 24 subsection (5) shall not exceed 99%, and shall be applied after  
 25 the following adjustments, which shall be based upon per pupil or  
 26 per professional staff member cost in each section 61 program and

1 the statewide average per pupil cost in section 52 programs, as  
2 determined by the department:

3 (a) The categorical allocations for sections 52 and 61 shall  
4 be reduced a proportionate amount for nonresident pupils.

5 (b) The categorical allocations for section 52 shall be  
6 increased a proportionate amount for pupils enrolled in a program  
7 operated by another district or the intermediate district.

8 (7) Funds due under sections 27, 53, 75, 143, 144, and 147  
9 shall not be counted for purposes of subsection (5).

10 (8) The statewide deductions made under subsection (5) shall  
11 not exceed \$79,000,000.00. The department shall prorate the  
12 local district deductions as necessary.

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