

**SUBSTITUTE FOR
HOUSE BILL NO. 5516**

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 11, 11i, 20, 25, 51a, 62, 81, 101, and 166b (MCL 388.1611, 388.1611i, 388.1620, 388.1625, 388.1651a, 388.1662, 388.1681, 388.1701, and 388.1766b), sections 11, 20, 51a, 62, 81, and 101 as amended and section 11i as added by 1997 PA 142, section 25 as amended by 1997 PA 93, and section 166b as amended by 1996 PA 300, and by adding sections 11j, 11k, 11l, 25a, [31b,] 31d, and 63.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) For the fiscal year ending September 30, 1998,
2 there is appropriated for the public schools of this state and
3 certain other state purposes relating to education the sum of
4 \$8,717,471,600.00 from the state school aid fund established by
5 section 11 of article IX of the state constitution of 1963 and

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1 the sum of \$377,935,400.00 from the general fund. For the fiscal
2 year ending September 30, 1999, there is appropriated for the
3 public schools of this state and certain other state purposes
4 relating to education the sum of ~~\$9,036,198,400.00~~
5 [\$9,128,798,400.00] from the state school aid fund established by
6 section 11 of article IX of the state constitution of 1963 and
7 the sum of \$420,613,500.00 from the general fund. In addition,
8 available federal funds are appropriated for 1997-98 and for
9 1998-99.

10 (2) The appropriations under this section shall be allocated
11 as provided in this act. Money appropriated under this section
12 from the general fund and from available federal funds shall be
13 expended to fund the purposes of this act before the expenditure
14 of money appropriated under this section from the state school
15 aid fund. If the maximum amount appropriated under this section
16 from the state school aid fund for a fiscal year exceeds the
17 amount necessary to fully fund allocations under this act from
18 the state school aid fund, that excess amount shall not be
19 expended in that state fiscal year and shall not lapse to the
20 general fund, but instead shall remain in the state school aid
21 fund.

22 (3) If the maximum amount appropriated under this section
23 and sections 11f and 11g from the state school aid fund for a
24 fiscal year exceeds the amount available for expenditure from the
25 state school aid fund for that fiscal year, payments under sec-
26 tions 11f, 11g, and 51a(2) shall be made in full and payments
27 under each of the other sections of this act shall be prorated on

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1 an equal percentage basis as necessary to reflect the amount
2 available for expenditure from the state school aid fund for that
3 fiscal year. However, if the department of treasury determines
4 that proration will be required under this subsection, the
5 department of treasury shall notify the director of the depart-
6 ment of management and budget, and the director of the department
7 of management and budget shall notify the legislature at least 30
8 calendar days or 6 legislative session days, whichever is more,
9 before the department reduces any payments under this act because
10 of the proration. During the 30 calendar day or 6 legislative
11 session day period after that notification by the director of the
12 department of management and budget, the department shall not
13 reduce any payments under this act because of proration under
14 this subsection. The legislature may prevent proration from
15 occurring by, within the 30 calendar day or 6 legislative session
16 day period after that notification by the department of manage-
17 ment and budget, enacting legislation appropriating additional
18 funds from the general fund, countercyclical budget and economic
19 stabilization fund, state school aid fund balance, or another
20 source to fund the amount of the projected shortfall.

21 Sec. 11i. (1) In addition to any other authority granted
22 under law, an eligible district or intermediate district may
23 borrow from the Michigan municipal bond authority created under
24 the shared credit rating act, 1985 PA 227, MCL 141.1051 to
25 141.1077, an amount equal to 1/2 of the amount listed for the
26 district or intermediate district in section 11h, in anticipation
27 of the receipt of the payments appropriated under section 11g,

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1 and may authorize by resolution of its governing body and issue
2 its bonds to evidence its obligations to the Michigan municipal
3 bond authority on the terms and with those provisions as are pro-
4 vided by resolution of the board of the district or intermediate
5 district and as are acceptable to the Michigan municipal bond
6 authority if the bonds are accompanied by an opinion of bond
7 counsel acceptable to the Michigan municipal bond authority to
8 the effect that the interest on the bonds is excluded from gross
9 income for federal income tax purposes. For the purposes of this
10 section, an eligible district or intermediate district is a dis-
11 trict or intermediate district, other than a district or interme-
12 diate district that receives a lump sum payment under
13 section 11f(2), that qualifies to receive funds under
14 sections 11f and 11g and that notifies the department of treasury
15 not later than 5 p.m. eastern daylight time on June 30, 1998, in
16 the form and manner prescribed by the department of treasury,
17 that the district or intermediate district will borrow money and
18 issue bonds under this section. A district or intermediate dis-
19 trict may pledge and assign to the Michigan municipal bond
20 authority, as security for the bonds, all of the payments appro-
21 priated to it under section 11g but may not otherwise pledge or
22 assign those payments. Bonds issued under this section are not
23 subject to the municipal finance act, 1943 PA 202, MCL 131.1 to
24 139.3.

25 (2) Proceeds of bonds issued under this section shall be
26 made available to districts and intermediate districts on or
27 after November 15, 1998. Each district and intermediate district

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1 shall use proceeds of bonds issued by it under this section only
2 for a purpose for which bonds may be issued under section 1351a
3 of the revised school code, MCL 380.1351a. HOWEVER, A DISTRICT
4 OR INTERMEDIATE DISTRICT ALSO MAY APPLY THOSE PROCEEDS TO ITS
5 GENERAL FUND OPERATING DEFICIT IF THE DEPARTMENT DETERMINES THAT
6 THE DISTRICT OR INTERMEDIATE DISTRICT MEETS ALL OF THE
7 FOLLOWING:

8 (A) THE DISTRICT OR INTERMEDIATE DISTRICT HAS BEEN OPERATING
9 WITH A GENERAL FUND OPERATING DEFICIT FOR THE 2-YEAR PERIOD
10 ENDING JUNE 30, 1998.

11 (B) THE AMOUNT OF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S
12 GENERAL FUND OPERATING DEFICIT AS OF JUNE 30, 1998 IS LESS THAN
13 THE AMOUNT OF THAT DEFICIT AS OF JUNE 30, 1997.

14 (C) THE AMOUNT OF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S
15 GENERAL FUND OPERATING DEFICIT AS OF JUNE 30, 1997 WAS LESS THAN
16 THE AMOUNT OF THAT DEFICIT AS OF JUNE 30, 1996.

17 (3) Bonds issued under this section do not constitute a gen-
18 eral obligation or debt of a district or intermediate district
19 within the meaning of any constitutional or statutory debt
20 limitation.

21 (4) This section shall be construed as cumulative authority
22 for the exercise of the powers granted in this section and shall
23 not be construed to repeal any existing law. The purpose of this
24 section is to create full and complete additional and alternate
25 methods for the exercise of existing powers, and the powers con-
26 ferred by this section are not affected or limited by any other
27 statute or by any charter or incorporating document.

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1 (5) A pledge made by a district or intermediate district
2 under this section is valid and binding from the time the pledge
3 is made. The revenue or other money pledged under this section
4 and thereafter received by a district or intermediate district is
5 immediately subject to the lien of the pledge without physical
6 delivery of the revenue or money or any further act. The lien of
7 such a pledge is valid and binding against a party having a claim
8 of any kind in tort, contract, or otherwise against the district
9 or intermediate district, irrespective of whether that party has
10 notice of the pledge. The resolution or any other instrument by
11 which a pledge is created is not required to be filed or recorded
12 in order to establish and perfect a lien or security interest in
13 the property pledged.

14 (6) Bonds issued under this section are not in any way a
15 debt or liability of this state; do not create or constitute any
16 indebtedness, liability, or obligation of this state; are not and
17 do not constitute a pledge of the faith and credit of this state;
18 and shall contain on their face a statement to that effect.

19 SEC. 11J. (1) FOR THE PURPOSES OF SECTION 11K, AND SUBJECT
20 TO SECTION 11K(8), THE FOLLOWING AMOUNTS ARE ALLOCATED ACCORDING
21 TO SECTION 11K TO DISTRICTS AND INTERMEDIATE DISTRICTS THAT OPER-
22 ATED A PROGRAM UNDER FORMER SECTION 53 IN 1991-92, 1992-93, OR
23 1993-94:

24	CODE	NAME		AMOUNT
25	02080	SUPERIOR CENTRAL SCHOOL DISTRICT.....	\$	706
26	03000	ALLEGAN INTERMEDIATE SCHOOL.....	\$	41,838

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1	03020	OTSEGO PUBLIC SCHOOLS.....	\$	8,743
2	03040	WAYLAND UNION SCHOOLS.....	\$	12,070
3	04000	ALPENA INTERMEDIATE SCHOOL.....	\$	154,261
4	04010	ALPENA PUBLIC SCHOOLS.....	\$	58,260
5	06050	STANDISH STERLING COMMUNITY SCHOOLS.....	\$	3,089
6	08000	BARRY INTERMEDIATE SCHOOL.....	\$	57,486
7	08050	THORNAPPLE KELLOGG SCHOOL DISTRICT.....	\$	2,688
8	09000	BAY ARENAC INTERMEDIATE SCHOOL.....	\$	50,043
9	09010	BAY CITY SCHOOL DISTRICT.....	\$	24,378
10	11000	BERRIEN INTERMEDIATE SCHOOL.....	\$	209,261
11	12000	BRANCH INTERMEDIATE SCHOOL.....	\$	158,603
12	13000	CALHOUN INTERMEDIATE SCHOOL.....	\$	497,688
13	13010	ALBION PUBLIC SCHOOLS.....	\$	29,566
14	13020	BATTLE CREEK PUBLIC SCHOOLS.....	\$	6,946
15	13070	HARPER CREEK COMMUNITY SCHOOLS.....	\$	1,741
16	13135	UNION CITY COMMUNITY SCHOOL DISTRICT.....	\$	523
17	14000	LEWIS CASS INTERMEDIATE SCHOOL.....	\$	4,743
18	14020	DOWAGIAC UNION SCHOOLS.....	\$	6,596
19	15000	CHARLEVOIX EMMET INTERMEDIATE SCHOOL.....	\$	96,697
20	15050	CHARLEVOIX PUBLIC SCHOOLS.....	\$	4,306
21	15060	EAST JORDAN PUBLIC SCHOOL DISTRICT.....	\$	20,715
22	16000	CHEBOYGAN OTSEGO PRESQUE ISLE ISD.....	\$	886,768
23	16050	INLAND LAKES SCHOOL DISTRICT.....	\$	2,064
24	17000	EASTERN UPPER PENINSULA ISD.....	\$	92,912
25	17010	SAULT STE MARIE AREA SCHOOLS.....	\$	37,057
26	17090	PICKFORD PUBLIC SCHOOLS.....	\$	958

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1	18000	CLARE GLADWIN INTERMEDIATE SCHOOL.....	\$	25,823
2	18020	FARWELL AREA SCHOOLS.....	\$	8,139
3	19000	CLINTON INTERMEDIATE SCHOOL.....	\$	45,066
4	21000	DELTA SCHOOLCRAFT INTERMEDIATE SCHOOL.....	\$	219,521
5	22000	DICKINSON-IRON INTERMEDIATE SCHOOL.....	\$	1,088
6	23000	EATON INTERMEDIATE SCHOOL.....	\$	371,476
7	23050	EATON RAPIDS PUBLIC SCHOOLS.....	\$	34,958
8	23060	GRAND LEDGE PUBLIC SCHOOLS.....	\$	41,220
9	23065	MAPLE VALLEY SCHOOL DISTRICT.....	\$	35,974
10	23080	OLIVET COMMUNITY SCHOOLS.....	\$	3,019
11	25000	GENESEE INTERMEDIATE SCHOOL.....	\$	1,007,900
12	25010	FLINT CITY SCHOOL DISTRICT.....	\$	429,387
13	25050	GOODRICH AREA SCHOOLS.....	\$	6,672
14	25080	CARMEN-AINSWORTH COMMUNITY SCHOOLS.....	\$	21,602
15	25100	FENTON AREA PUBLIC SCHOOLS.....	\$	59,517
16	25110	KEARSLEY COMMUNITY SCHOOLS.....	\$	10,284
17	25120	FLUSHING COMMUNITY SCHOOLS.....	\$	14,429
18	25150	CLIO AREA SCHOOL DISTRICT.....	\$	41,321
19	25180	SWARTZ CREEK COMMUNITY SCHOOLS.....	\$	1,844
20	25200	LAKE FENTON SCHOOLS.....	\$	725
21	25240	BEECHER COMMUNITY SCHOOL DISTRICT.....	\$	1,492
22	25250	LINDEN COMMUNITY SCHOOL DISTRICT.....	\$	6,588
23	25260	MONTROSE COMMUNITY SCHOOLS.....	\$	24,597
24	26040	GLADWIN COMMUNITY SCHOOLS.....	\$	2,034
25	27000	GOGEBIC ONTONAGON INTERMEDIATE SCHOOL.....	\$	28,223
26	28000	TRAVERSE BAY INTERMEDIATE SCHOOL.....	\$	81,460

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1	28010	TRAVERSE CITY SCHOOL DISTRICT.....	\$	25,234
2	29000	GRATIOT-ISABELLA INTERMEDIATE SCHOOL.....	\$	951,643
3	30000	HILLSDALE INTERMEDIATE SCHOOL.....	\$	50,615
4	30020	HILLSDALE COMMUNITY PUBLIC SCHOOLS.....	\$	10,855
5	31000	COPPER COUNTRY INTERMEDIATE SCHOOL.....	\$	67,219
6	31110	HOUGHTON-PORTAGE TOWNSHIP SCHOOL DISTRICT.	\$	17,312
7	32090	OWENDALE GAGETOWN AREA SCHOOLS.....	\$	677
8	33000	INGHAM INTERMEDIATE SCHOOL.....	\$	800,463
9	33010	EAST LANSING SCHOOL DISTRICT.....	\$	10,424
10	33020	LANSING PUBLIC SCHOOL DISTRICT.....	\$	211,767
11	33060	HASLETT PUBLIC SCHOOLS.....	\$	5,789
12	33100	LESLIE PUBLIC SCHOOLS.....	\$	6,519
13	33215	WAVERLY SCHOOLS.....	\$	240,326
14	34000	IONIA INTERMEDIATE SCHOOL.....	\$	116,468
15	34010	IONIA PUBLIC SCHOOLS.....	\$	19,533
16	34080	BELDING AREA SCHOOL DISTRICT.....	\$	18,593
17	34090	LAKEWOOD PUBLIC SCHOOLS.....	\$	29,413
18	34110	PORTLAND PUBLIC SCHOOL DISTRICT.....	\$	9,336
19	34120	SARANAC COMMUNITY SCHOOLS.....	\$	1,593
20	35040	WHITTEMORE PRESCOTT AREA SCHOOLS.....	\$	5,939
21	38000	JACKSON INTERMEDIATE SCHOOL.....	\$	57,936
22	38040	COLUMBIA SCHOOL DISTRICT.....	\$	196
23	38080	CONCORD COMMUNITY SCHOOLS.....	\$	5,146
24	38140	NORTHWEST SCHOOL DISTRICT.....	\$	6,823
25	39000	KALAMAZOO INTERMEDIATE SCHOOL.....	\$	369,425
26	39010	KALAMAZOO CITY SCHOOL DISTRICT.....	\$	299,823

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1	39030	COMSTOCK PUBLIC SCHOOLS.....	\$	2,037
2	39140	PORTAGE PUBLIC SCHOOLS.....	\$	6,995
3	40040	KALKASKA PUBLIC SCHOOLS.....	\$	357
4	41010	GRAND RAPIDS CITY SCHOOL DISTRICT.....	\$	442,115
5	41025	NORTHVIEW PUBLIC SCHOOL DISTRICT.....	\$	4,918
6	41026	WYOMING PUBLIC SCHOOLS.....	\$	68,868
7	41110	FOREST HILLS PUBLIC SCHOOLS.....	\$	17,583
8	41130	GRANDVILLE PUBLIC SCHOOLS.....	\$	2,586
9	41160	KENTWOOD PUBLIC SCHOOLS.....	\$	152,165
10	41170	LOWELL AREA SCHOOL DISTRICT.....	\$	157,768
11	44000	LAPEER INTERMEDIATE SCHOOL.....	\$	373,032
12	44010	LAPEER COMMUNITY SCHOOLS.....	\$	11,591
13	44090	NORTH BRANCH AREA SCHOOLS.....	\$	18,798
14	46000	LENAWEE INTERMEDIATE SCHOOL.....	\$	116,602
15	46050	BRITTON MACON AREA SCHOOL DISTRICT.....	\$	3,369
16	46140	TECUMSEH PUBLIC SCHOOLS.....	\$	5,914
17	47000	LIVINGSTON INTERMEDIATE SCHOOL.....	\$	163,395
18	47010	BRIGHTON AREA SCHOOLS.....	\$	10,859
19	47030	FOWLerville COMMUNITY SCHOOLS.....	\$	18,319
20	48040	TAHQUAMENON AREA SCHOOLS.....	\$	1,729
21	49010	ST. IGNACE CITY SCHOOL DISTRICT.....	\$	6,440
22	50000	MACOMB INTERMEDIATE SCHOOL.....	\$	3,194,672
23	50140	L'ANSE CREUSE PUBLIC SCHOOLS.....	\$	106,758
24	50160	MT. CLEMENS COMMUNITY SCHOOL DISTRICT.....	\$	1,131
25	50230	WARREN CONSOLIDATED SCHOOLS.....	\$	54,785
26	51000	MANISTEE INTERMEDIATE SCHOOL.....	\$	16,555

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1	52000	MARQUETTE ALGER INTERMEDIATE SCHOOL.....	\$	179,291
2	54000	MECOSTA-OSCEOLA INTERMEDIATE SCHOOL.....	\$	694,699
3	54025	CHIPPEWA HILLS SCHOOL DISTRICT.....	\$	2,070
4	56000	MIDLAND INTERMEDIATE SCHOOL.....	\$	10,631
5	58000	MONROE INTERMEDIATE SCHOOL.....	\$	158,826
6	58020	AIRPORT COMMUNITY SCHOOL DISTRICT.....	\$	4,029
7	58050	DUNDEE COMMUNITY SCHOOLS.....	\$	435
8	59000	MONTCALM INTERMEDIATE SCHOOL.....	\$	70,449
9	59045	MONTABELLA COMMUNITY SCHOOL DISTRICT.....	\$	1,669
10	59080	TRI COUNTY AREA SCHOOLS.....	\$	4,074
11	59125	CENTRAL MONTCALM PUBLIC SCHOOLS.....	\$	19,659
12	61000	MUSKEGON INTERMEDIATE SCHOOL.....	\$	881,322
13	61010	MUSKEGON CITY SCHOOL DISTRICT.....	\$	265,249
14	61080	FRUITPORT COMMUNITY SCHOOLS.....	\$	4,493
15	61190	ORCHARD VIEW SCHOOLS.....	\$	794
16	61220	REETHS PUFFER SCHOOLS.....	\$	5,373
17	61240	WHITEHALL SCHOOL DISTRICT.....	\$	9,155
18	62040	FREMONT PUBLIC SCHOOL DISTRICT.....	\$	287
19	63000	OAKLAND COUNTY INTERMEDIATE SCHOOL		
20		DISTRICT.....	\$	132,457
21	63030	PONTIAC CITY SCHOOL DISTRICT.....	\$	602,428
22	63040	ROYAL OAK SCHOOL DISTRICT.....	\$	125,865
23	63060	SOUTHFIELD PUBLIC SCHOOL DISTRICT.....	\$	244,500
24	63080	BLOOMFIELD HILLS SCHOOL DISTRICT.....	\$	273,830
25	63110	OXFORD AREA COMMUNITY SCHOOL DISTRICT.....	\$	137,181
26	63130	HAZEL PARK CITY SCHOOL DISTRICT.....	\$	6,153

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1	63150	TROY PUBLIC SCHOOL DISTRICT.....	\$	5,703
2	63180	BRANDON SCHOOL DISTRICT.....	\$	9,853
3	63190	CLARKSTON COMMUNITY SCHOOL DISTRICT.....	\$	14,839
4	63200	FARMINGTON PUBLIC SCHOOL DISTRICT.....	\$	2,497,639
5	63210	HOLLY AREA SCHOOL DISTRICT.....	\$	52,093
6	63240	SOUTH LYON COMMUNITY SCHOOLS.....	\$	3,222
7	63250	OAK PARK CITY SCHOOL DISTRICT.....	\$	62,403
8	63260	ROCHESTER COMMUNITY SCHOOL DISTRICT.....	\$	8,013
9	63280	LAMPHERE PUBLIC SCHOOLS.....	\$	29,168
10	63300	WATERFORD SCHOOL DISTRICT.....	\$	867,606
11	67055	PINE RIVER AREA SCHOOLS.....	\$	1,183
12	67060	REED CITY PUBLIC SCHOOLS.....	\$	20,642
13	70000	OTTAWA INTERMEDIATE SCHOOL.....	\$	398,091
14	70010	GRAND HAVEN CITY SCHOOL DISTRICT.....	\$	6,246
15	70070	WEST OTTAWA PUBLIC SCHOOL DISTRICT.....	\$	3,002
16	70120	COOPERSVILLE PUBLIC SCHOOL DISTRICT.....	\$	4,810
17	70175	JENISON PUBLIC SCHOOLS.....	\$	29,426
18	70350	ZEELAND PUBLIC SCHOOLS.....	\$	6,939
19	71050	ONAWAY AREA COMMUNITY SCHOOL DISTRICT.....	\$	3,321
20	72000	C O O R INTERMEDIATE SCHOOL.....	\$	11,578
21	73000	SAGINAW INTERMEDIATE SCHOOL.....	\$	215,750
22	73010	SAGINAW CITY SCHOOL DISTRICT.....	\$	9,015
23	73170	BIRCH RUN AREA SCHOOL DISTRICT.....	\$	8,217
24	73200	FREELAND COMMUNITY SCHOOL DISTRICT.....	\$	11,932
25	73210	HEMLOCK PUBLIC SCHOOL DISTRICT.....	\$	3,216
26	73230	MERRILL COMMUNITY SCHOOL DISTRICT.....	\$	1,351

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1	74000	ST. CLAIR INTERMEDIATE SCHOOL.....	\$	528,290
2	74010	PORT HURON AREA SCHOOL DISTRICT.....	\$	7,180
3	74050	EAST CHINA TOWNSHIP SCHOOL DISTRICT.....	\$	12,609
4	75000	ST. JOSEPH INTERMEDIATE SCHOOL.....	\$	5,355
5	76000	SANILAC INTERMEDIATE SCHOOL.....	\$	39,109
6	76070	CARSONVILLE-PORT SANILAC SCHOOL DISTRICT..	\$	3,165
7	76080	CROSWELL LEXINGTON COMMUNITY SCHOOLS.....	\$	1,626
8	76140	MARLETTE COMMUNITY SCHOOLS.....	\$	19,535
9	76180	PECK COMMUNITY SCHOOL DISTRICT.....	\$	13,718
10	78000	SHIAWASSEE INTERMEDIATE SCHOOL.....	\$	75,284
11	78080	PERRY PUBLIC SCHOOL DISTRICT.....	\$	5,590
12	79000	TUSCOLA INTERMEDIATE SCHOOL.....	\$	1,251,955
13	79080	KINGSTON COMMUNITY SCHOOL DISTRICT.....	\$	78,355
14	79090	MAYVILLE COMMUNITY SCHOOL DISTRICT.....	\$	7,905
15	79100	MILLINGTON COMMUNITY SCHOOLS.....	\$	42,209
16	79145	UNIONVILLE SEBEWAING AREA SCHOOLS.....	\$	6,594
17	80000	VAN BUREN INTERMEDIATE SCHOOL.....	\$	29,837
18	80010	SOUTH HAVEN PUBLIC SCHOOLS.....	\$	2,368
19	81000	WASHTENAW INTERMEDIATE SCHOOL.....	\$	1,363,365
20	81010	ANN ARBOR PUBLIC SCHOOLS.....	\$	97,931
21	81020	YPSILANTI SCHOOL DISTRICT.....	\$	21,472
22	81040	CHELSEA SCHOOL DISTRICT.....	\$	363,554
23	81100	MILAN AREA SCHOOLS.....	\$	768
24	81120	SALINE AREA SCHOOL DISTRICT.....	\$	5,955
25	81150	WILLOW RUN COMMUNITY SCHOOLS.....	\$	662
26	82000	WAYNE INTERMEDIATE SCHOOL.....	\$	1,839,700

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1	82010	DETROIT CITY SCHOOL DISTRICT.....	\$	129,758
2	82050	GARDEN CITY SCHOOL DISTRICT.....	\$	469,478
3	82055	GROSSE POINTE PUBLIC SCHOOLS.....	\$	124,591
4	82095	LIVONIA PUBLIC SCHOOLS.....	\$	30,551
5	82100	PLYMOUTH CANTON COMMUNITY SCHOOLS.....	\$	47,667
6	82110	REDFORD UNION SCHOOL DISTRICT.....	\$	42,250
7	82130	ROMULUS COMMUNITY SCHOOLS.....	\$	15,538
8	82140	SOUTH REDFORD SCHOOL DISTRICT.....	\$	873
9	82150	TAYLOR SCHOOL DISTRICT.....	\$	26,258
10	82160	WAYNE-WESTLAND COMMUNITY.....	\$	344,069
11	82170	WYANDOTTE CITY SCHOOL DISTRICT.....	\$	60,247
12	82180	FLAT ROCK COMMUNITY SCHOOLS.....	\$	2,307
13	82290	GIBRALTAR SCHOOL DISTRICT.....	\$	3,495
14	82300	GROSSE ILE TOWNSHIP SCHOOLS.....	\$	12,943
15	82340	HURON SCHOOL DISTRICT.....	\$	55,904
16	82365	WOODHAVEN SCHOOL DISTRICT.....	\$	8,045
17	82390	NORTHVILLE PUBLIC SCHOOLS.....	\$	701,236
18	82400	RIVERVIEW COMMUNITY SCHOOL DISTRICT.....	\$	6,076
19	82405	SOUTHGATE COMMUNITY SCHOOL DISTRICT.....	\$	303,344
20	82430	VAN BUREN PUBLIC SCHOOLS.....	\$	23,970
21	83000	WEXFORD INTERMEDIATE SCHOOL.....	\$	91,347

22 (2) THIS SECTION AND ANY OTHER PROVISION OF THIS ACT SHALL
23 NOT BE CONSTRUED TO CONSTITUTE AN ADMISSION OF LIABILITY TO THE
24 DISTRICTS OR INTERMEDIATE DISTRICTS DESIGNATED IN THIS SECTION IN
25 ANY LITIGATION OR FUTURE LITIGATION WITH A DISTRICT OR INTERMEDI-
26 ATE DISTRICT. IN ADDITION, THIS SECTION OR ANY OTHER PROVISION
27 OF THIS ACT SHALL NOT BE CONSTRUED TO CONSTITUTE A WAIVER OF ANY

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1 DEFENSE THAT IS OR WOULD HAVE BEEN AVAILABLE TO THIS STATE OR ITS
2 AGENCIES, EMPLOYEES, OR AGENTS IN ANY LITIGATION OR FUTURE LITI-
3 GATION WITH A DISTRICT OR INTERMEDIATE DISTRICT.

4 SEC. 11K. (1) IN ADDITION TO ANY OTHER MONEY APPROPRIATED
5 UNDER THIS ACT, THERE IS APPROPRIATED FROM THE STATE SCHOOL AID
6 FUND AN AMOUNT NOT TO EXCEED [\$2,900,000.00] FOR THE FISCAL YEAR
7 ENDING SEPTEMBER 30, 1999 AND THERE SHALL BE APPROPRIATED FROM
8 THE STATE SCHOOL AID FUND AN AMOUNT NOT TO EXCEED [\$2,900,000.00]
9 EACH FISCAL YEAR FOR EACH SUCCEEDING FISCAL YEAR THROUGH THE
10 FISCAL YEAR ENDING SEPTEMBER 30, 2008. PAYMENTS UNDER THIS SEC-
11 TION WILL CEASE AFTER SEPTEMBER 30, 2008. [

12] THESE APPROPRIATIONS ARE FOR PAYING THE AMOUNTS DESCRIBED IN
13 SUBSECTION (3) TO DISTRICTS AND INTERMEDIATE DISTRICTS, OTHER
14 THAN THOSE RECEIVING A LUMP SUM PAYMENT UNDER SUBSECTION (2),
15 THAT OPERATED A PROGRAM UNDER FORMER SECTION 53 IN 1991-92,
16 1992-93, OR 1993-94, AND THAT ARE RECEIVING AN AMOUNT AS LISTED
17 IN SECTION 11J.

18 (2) IN ADDITION TO ANY OTHER MONEY APPROPRIATED UNDER THIS
19 ACT, THERE IS APPROPRIATED FROM THE STATE SCHOOL AID FUND AN
20 AMOUNT NOT TO EXCEED [\$900,000.00] FOR THE FISCAL YEAR ENDING
21 SEPTEMBER 30, 1999. [] THIS APPROPRIA-
22 TION IS FOR PAYING THE AMOUNTS DESCRIBED IN THIS SUBSECTION TO
23 DISTRICTS AND INTERMEDIATE DISTRICTS THAT OPERATED A PROGRAM
24 UNDER FORMER SECTION 53 IN 1991-92, 1992-93, OR 1993-94; THAT ARE
25 RECEIVING AN AMOUNT AS LISTED IN SECTION 11J; AND FOR WHICH THE
26 TOTAL AMOUNT LISTED IN SECTION 11J AND PAID UNDER THIS SECTION IS
27 LESS THAN \$25,000.00. FOR A DISTRICT OR INTERMEDIATE DISTRICT

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16

1 QUALIFYING FOR A PAYMENT UNDER THIS SUBSECTION, THE ENTIRE AMOUNT
2 LISTED FOR THE DISTRICT OR INTERMEDIATE DISTRICT IN SECTION 11J
3 SHALL BE PAID IN A LUMP SUM ON NOVEMBER 15, 1998 OR ON THE NEXT
4 BUSINESS DAY FOLLOWING THAT DATE.

5 (3) [] THE AMOUNT PAID EACH FISCAL
6 YEAR TO EACH DISTRICT OR INTERMEDIATE DISTRICT UNDER
7 SUBSECTION (1) SHALL BE 1/10 OF THE TOTAL AMOUNT LISTED IN
8 SECTION 11J FOR EACH LISTED DISTRICT OR INTERMEDIATE DISTRICT
9 THAT QUALIFIES FOR A PAYMENT UNDER SUBSECTION (1).

10 (4) THIS SECTION AND ANY OTHER PROVISION OF THIS ACT SHALL
11 NOT BE CONSTRUED TO CONSTITUTE AN ADMISSION OF LIABILITY TO THE
12 DISTRICTS OR INTERMEDIATE DISTRICTS LISTED IN SECTION 11J OR A
13 WAIVER OF ANY DEFENSE THAT IS OR WOULD HAVE BEEN AVAILABLE TO THE
14 STATE OR ITS AGENCIES, EMPLOYEES, OR AGENTS IN ANY LITIGATION OR
15 FUTURE LITIGATION WITH A DISTRICT OR INTERMEDIATE DISTRICT.

16 (5) THE ENTIRE AMOUNT OF EACH PAYMENT UNDER SUBSECTION (1)
17 EACH FISCAL YEAR SHALL BE PAID ON NOVEMBER 15 OF THE APPLICABLE
18 FISCAL YEAR OR ON THE NEXT BUSINESS DAY FOLLOWING THAT DATE.

19 (6) FUNDS PAID TO A DISTRICT OR INTERMEDIATE DISTRICT UNDER
20 THIS SECTION SHALL BE USED ONLY FOR TEXTBOOKS, ELECTRONIC
21 INSTRUCTIONAL MATERIAL, SOFTWARE, TECHNOLOGY, INFRASTRUCTURE OR
22 INFRASTRUCTURE IMPROVEMENTS, SCHOOL BUSES, SCHOOL SECURITY,
23 TRAINING FOR TECHNOLOGY, OR TO PAY DEBT SERVICE ON VOTER-APPROVED
24 BONDS ISSUED BY THE DISTRICT OR INTERMEDIATE DISTRICT BEFORE THE
25 EFFECTIVE DATE OF THIS SECTION. FOR INTERMEDIATE DISTRICTS ONLY,
26 FUNDS PAID UNDER THIS SECTION MAY ALSO BE USED FOR OTHER
27 NONRECURRING INSTRUCTIONAL EXPENDITURES INCLUDING, BUT NOT

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1 LIMITED TO, NONRECURRING INSTRUCTIONAL EXPENDITURES FOR
2 VOCATIONAL EDUCATION, OR FOR DEBT SERVICE FOR ACQUISITION OF
3 TECHNOLOGY FOR ACADEMIC SUPPORT SERVICES. FUNDS RECEIVED BY AN
4 INTERMEDIATE DISTRICT UNDER THIS SECTION MAY BE USED FOR PROJECTS
5 CONDUCTED FOR THE BENEFIT OF ITS CONSTITUENT DISTRICTS AT THE
6 DISCRETION OF THE INTERMEDIATE BOARD. TO THE EXTENT PAYMENTS
7 UNDER THIS SECTION ARE USED BY A DISTRICT OR INTERMEDIATE DIS-
8 TRICT TO PAY DEBT SERVICE ON DEBT PAYABLE FROM MILLAGE REVENUES,
9 AND TO THE EXTENT PERMITTED BY LAW, THE DISTRICT OR INTERMEDIATE
10 DISTRICT MAY MAKE A CORRESPONDING REDUCTION IN THE NUMBER OF
11 MILLS LEVIED FOR THAT DEBT SERVICE.

12 (7) THE BOARD OF A DISTRICT OR INTERMEDIATE DISTRICT THAT
13 QUALIFIES TO RECEIVE FUNDS UNDER THIS SECTION SHALL HOLD A PUBLIC
14 HEARING OF THE BOARD TO DISCUSS HOW THE BOARD WILL USE THOSE
15 FUNDS. THE BOARD MAY HOLD THIS HEARING AS PART OF A REGULARLY
16 SCHEDULED BOARD MEETING IF THE PUBLIC NOTICE OF THAT REGULAR
17 MEETING CLEARLY INDICATES THAT THE ISSUE OF USE OF FUNDS RECEIVED
18 UNDER THIS SECTION WILL BE ON THE AGENDA AT THE REGULAR MEETING.

19 [

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21

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24

25]

26 SEC. 111. (1) IN ADDITION TO ANY OTHER MONEY APPROPRIATED
27 UNDER THIS ACT, THERE IS APPROPRIATED FROM THE STATE SCHOOL AID

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18

1 FUND AN AMOUNT NOT TO EXCEED [\$2,000,000.00] FOR THE FISCAL YEAR
2 ENDING SEPTEMBER 30, 1999 AND THERE SHALL BE APPROPRIATED FROM
3 THE STATE SCHOOL AID FUND AN AMOUNT NOT TO EXCEED [\$2,000,000.00]
4 EACH FISCAL YEAR FOR EACH SUCCEEDING FISCAL YEAR THROUGH THE
5 FISCAL YEAR ENDING SEPTEMBER 30, 2008. PAYMENTS UNDER THIS SEC-

6 TION WILL CEASE AFTER SEPTEMBER 30, 2008. [
7] THESE APPROPRIATIONS ARE FOR PAYING THE AMOUNTS DESCRIBED IN
8 SUBSECTION (2) TO DISTRICTS, OTHER THAN THOSE RECEIVING A LUMP
9 SUM PAYMENT UNDER SUBSECTION (3), THAT HAVE ISSUED FOR A SCHOOL
10 CONSTRUCTION PROJECT BONDS THAT MEET ALL OF THE FOLLOWING:

11 (A) THE ISSUANCE OF THE BONDS WAS APPROVED BY THE SCHOOL
12 ELECTORS AT AN ELECTION THAT OCCURRED AFTER NOVEMBER 21, 1994 AND
13 BEFORE JUNE 27, 1997.

14 (B) THE BONDS ARE QUALIFIED BONDS UNDER 1961 PA 108, MCL
15 388.951 TO 388.963.

16 (2) [] THE AMOUNT PAID EACH FISCAL
17 YEAR TO EACH DISTRICT UNDER SUBSECTION (1) SHALL BE 1/10 OF THE
18 TOTAL AMOUNT, AS DETERMINED BY THE DEPARTMENT, THAT THE DISTRICT
19 IS OR HAS BEEN REQUIRED TO PAY TO COMPLY WITH 1965 PA 116, MCL
20 408.551 TO 408.558, ON THOSE PORTIONS OF THE CONSTRUCTION PROJECT
21 DESCRIBED IN SUBSECTION (1) THAT WERE NOT CONTRACTED FOR OR BID
22 BEFORE JUNE 27, 1997.

23 (3) IN ADDITION TO ANY OTHER MONEY APPROPRIATED UNDER THIS
24 ACT, THERE IS APPROPRIATED FROM THE STATE SCHOOL AID FUND AN
25 AMOUNT NOT TO EXCEED \$50,000.00 FOR THE FISCAL YEAR ENDING
26 SEPTEMBER 30, 1999. [] THIS
27 APPROPRIATION IS FOR PAYING THE AMOUNTS DESCRIBED IN THIS

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1 SUBSECTION TO DISTRICTS THAT HAVE ISSUED FOR A SCHOOL
2 CONSTRUCTION PROJECT BONDS THAT MEET THE REQUIREMENTS UNDER SUB-
3 SECTION (1), AND FOR WHICH THE TOTAL AMOUNT AS OTHERWISE CALCU-
4 LATED UNDER SUBSECTION (2) IS LESS THAN \$25,000.00. FOR A DIS-
5 TRICT QUALIFYING FOR A PAYMENT UNDER THIS SUBSECTION, THE ENTIRE
6 AMOUNT CALCULATED UNDER SUBSECTION (2) SHALL BE PAID IN A LUMP
7 SUM ON NOVEMBER 15, 1998 OR ON THE NEXT BUSINESS DAY FOLLOWING
8 THAT DATE.

9 (4) THE ENTIRE AMOUNT OF EACH PAYMENT UNDER SUBSECTION (1)
10 EACH FISCAL YEAR SHALL BE PAID ON NOVEMBER 15 OF THE APPLICABLE
11 FISCAL YEAR OR ON THE NEXT BUSINESS DAY FOLLOWING THAT DATE.

12 (5) TO BE ELIGIBLE FOR A PAYMENT UNDER THIS SECTION, A DIS-
13 TRICT SHALL SUBMIT TO THE DEPARTMENT EVIDENCE SATISFACTORY TO THE
14 DEPARTMENT THAT IT MEETS THE REQUIREMENTS FOR A PAYMENT UNDER
15 THIS SECTION AND SHALL SUBMIT TO THE DEPARTMENT ALL INFORMATION
16 THE DEPARTMENT CONSIDERS NECESSARY TO CALCULATE THE AMOUNT OF THE
17 PAYMENT.

18 [

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]

24 Sec. 20. (1) For 1997-98, ~~and 1998-99,~~ the basic founda-
25 tion allowance is \$5,462.00 per membership pupil. FOR 1998-99,
26 THE BASIC FOUNDATION ALLOWANCE IS \$5,572.00 PER MEMBERSHIP PUPIL.

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1 (2) From the appropriation in section 11, there is allocated
2 for 1997-98 an amount not to exceed \$8,022,595,100.00, and for
3 1998-99 an amount not to exceed ~~-\$8,091,250,000.00-~~
4 [\$8,180,183,300.00], to guarantee each district a foundation allow-
5 ance per membership pupil other than special education pupils and
6 to make payments under this section to public school academies
7 and university schools for membership pupils other than special
8 education pupils. The amount of each district's foundation
9 allowance shall be calculated as provided in this section, using
10 a basic foundation allowance in the amount specified in
11 subsection (1). If the maximum amount allocated under this sec-
12 tion is not sufficient to fully fund payments under this section,
13 and before any proration required under section 11, the amount of
14 the payment to each district, university school, and public
15 school academy shall be prorated by reducing by an equal percen-
16 tage the total payment under this section to each district, uni-
17 versity school, and public school academy. However, if the
18 department determines that proration will be required under this
19 section, the superintendent of public instruction shall notify
20 the department of management and budget, and the department of
21 management and budget shall notify the legislature at least 30
22 calendar days or 6 legislative session days, whichever is more,
23 before the department reduces any payments under this section
24 because of the proration. During the 30 calendar day or 6 legis-
25 lative session day period after that notification by the depart-
26 ment of management and budget, the department shall not reduce
27 any payments under this section because of proration. The

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1 legislature may prevent proration under this section from
2 occurring by, within the 30 calendar day or 6 legislative session
3 day period after that notification by the director, enacting leg-
4 islation appropriating additional funds from the general fund,
5 countercyclical budget and economic stabilization fund, state
6 school aid fund balance, or another source to ensure full founda-
7 tion allowance funding for each district, university school, and
8 public school academy.

9 (3) Except as otherwise provided in this section, the amount
10 of a district's foundation allowance shall be calculated as fol-
11 lows, using in all calculations the total amount of the
12 district's foundation allowance as calculated before any
13 proration:

14 (a) For a district that in the immediately preceding state
15 fiscal year had a foundation allowance at least equal to the sum
16 of \$4,200.00 plus the total dollar amount of all adjustments made
17 from 1994-95 to the immediately preceding state fiscal year in
18 the lowest foundation allowance among all districts, but less
19 than the basic foundation allowance in the immediately preceding
20 state fiscal year, the district shall receive a foundation allow-
21 ance in an amount equal to the sum of the district's foundation
22 allowance for the immediately preceding state fiscal year plus
23 the difference between twice the dollar amount of the adjustment
24 from the immediately preceding state fiscal year to the current
25 state fiscal year made in the basic foundation allowance and
26 [(the dollar amount of the adjustment from the immediately
27 preceding state fiscal year to the current state fiscal year made

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1 in the basic foundation allowance minus \$50.00) times (the
2 difference between the district's foundation allowance for the
3 immediately preceding state fiscal year and the sum of \$4,200.00
4 plus the total dollar amount of all adjustments made from 1994-95
5 to the immediately preceding state fiscal year in the lowest
6 foundation allowance among all districts) divided by the differ-
7 ence between the basic foundation allowance for the current state
8 fiscal year and the sum of \$4,200.00 plus the total dollar amount
9 of all adjustments made from 1994-95 to the immediately preceding
10 state fiscal year in the lowest foundation allowance among all
11 districts]. However, the foundation allowance for a district
12 that had less than the basic foundation allowance in the immedi-
13 ately preceding state fiscal year shall not exceed the basic
14 foundation allowance for the current state fiscal year.

15 (b) For a district that in the immediately preceding state
16 fiscal year had a foundation allowance in an amount at least
17 equal to the amount of the basic foundation allowance for the
18 immediately preceding state fiscal year, the district shall
19 receive a foundation allowance in an amount equal to the sum of
20 the district's foundation allowance for the immediately preceding
21 state fiscal year plus the dollar amount of the adjustment from
22 the immediately preceding state fiscal year to the current state
23 fiscal year in the basic foundation allowance.

24 ~~(c) For 1998-99, each district's foundation allowance shall~~
25 ~~be at least \$5,170.00.~~

26 (4) To ensure that a district receives the district's
27 foundation allowance, there is allocated to each district a state

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1 portion of the district's foundation allowance in an amount
2 calculated under this subsection. The state portion of a
3 district's foundation allowance is an amount equal to the
4 district's foundation allowance or \$6,500.00, whichever is less,
5 minus the difference between the product of the taxable value per
6 membership pupil of all property in the district that is not a
7 homestead or qualified agricultural property times the lesser of
8 18 mills or the number of mills of school operating taxes levied
9 by the district in 1993-94 and the quotient of the ad valorem
10 property tax revenue of the district captured under 1975 PA 197,
11 MCL 125.1651 to 125.1681, the tax increment finance authority
12 act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development
13 financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the
14 Brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651
15 to 125.2672, divided by the district's membership excluding spe-
16 cial education pupils. For a district that has a millage reduc-
17 tion required under section 31 of article IX of the state consti-
18 tution of 1963, except for a district that was notified of such a
19 millage reduction in 1996 after the last permissible date to
20 schedule an election to override that millage reduction, the
21 state portion of the district's foundation allowance shall be
22 calculated as if that reduction did not occur. For each fiscal
23 year after 1994-95, the \$6,500.00 amount prescribed in this sub-
24 section shall be adjusted each year by an amount equal to the
25 dollar amount of the difference between the basic foundation
26 allowance for the current state fiscal year and \$5,000.00.

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1 (5) The allocation under this section for a pupil shall be
2 based on the foundation allowance of the pupil's district of
3 residence. However, for a pupil enrolled pursuant to section 105
4 in a district other than the pupil's district of residence but
5 within the same intermediate district, the allocation under this
6 section shall be based on the lesser of the foundation allowance
7 of the pupil's district of residence or the foundation allowance
8 of the educating district. For a pupil in membership in a K-5,
9 K-6, or K-8 district who is enrolled in another district in a
10 grade not offered by the pupil's district of residence, the allo-
11 cation under this section shall be based on the foundation allow-
12 ance of the educating district if the educating district's foun-
13 dation allowance is greater than the foundation allowance of the
14 pupil's district of residence.

15 (6) Subject to subsection (7) and except as otherwise pro-
16 vided in this subsection, for pupils in membership, other than
17 special education pupils, in a public school academy or a univer-
18 sity school, there is allocated under this section for 1997-98
19 and for 1998-99 to the authorizing body that is the fiscal agent
20 for the public school academy for forwarding to the public school
21 academy, or to the board of the public university operating the
22 university school, an amount per membership pupil other than spe-
23 cial education pupils in the public school academy or university
24 school equal to the sum of the local school operating revenue per
25 membership pupil other than special education pupils for the dis-
26 trict in which the public school academy or university school is
27 located and the state portion of that district's foundation

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1 allowance, or the sum of the basic foundation allowance under
2 subsection (1) plus \$500.00, whichever is less. Notwithstanding
3 section 101(2), for a public school academy that begins opera-
4 tions in 1997-98 or 1998-99, as applicable, after the pupil mem-
5 bership count day, the amount per membership pupil calculated
6 under this subsection shall be adjusted by multiplying that
7 amount per membership pupil by the number of hours of pupil
8 instruction provided by the public school academy after it begins
9 operations, as determined by the department, divided by the mini-
10 mum number of hours of pupil instruction required under section
11 1284 of the revised school code, MCL 380.1284. The result of
12 this calculation shall not exceed the amount per membership pupil
13 otherwise calculated under this subsection. Also, a public
14 school academy that begins operations in 1997-98 or 1998-99, as
15 applicable, after the pupil membership count day shall not
16 receive any funds under this section unless the public school
17 academy provides for the school year a number of hours of pupil
18 instruction that is at least in the same proportion to the mini-
19 mum number of hours of pupil instruction required under section
20 1284 of the revised school code, MCL 380.1284, as the number of
21 days of pupil instruction provided by the public school academy
22 for the school year is in proportion to the number of days of
23 pupil instruction required under section 1284 of the revised
24 school code, MCL 380.1284.

25 (7) If more than 25% of the pupils residing within a dis-
26 trict are in membership in 1 or more public school academies
27 located in the district, then the amount per membership pupil

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1 allocated under this section to the authorizing body that is the
2 fiscal agent for a public school academy located in the district
3 for forwarding to the public school academy shall be reduced by
4 an amount equal to the difference between the product of the tax-
5 able value per membership pupil of all property in the district
6 that is not a homestead or qualified agricultural property times
7 the lesser of 18 mills or the number of mills of school operating
8 taxes levied by the district in 1993-94 and the quotient of the
9 ad valorem property tax revenue of the district captured under
10 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance
11 authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local
12 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174,
13 or the Brownfield redevelopment financing act, 1996 PA 381, MCL
14 125.2651 to 125.2672, divided by the district's membership
15 excluding special education pupils, in the school fiscal year
16 ending in the current state fiscal year, calculated as if the
17 resident pupils in membership in 1 or more public school acade-
18 mies located in the district were in membership in the district.
19 In order to receive state school aid under this act, a district
20 described in this subsection shall pay to the authorizing body
21 that is the fiscal agent for a public school academy located in
22 the district for forwarding to the public school academy an
23 amount equal to that local school operating revenue per member-
24 ship pupil for each resident pupil in membership other than spe-
25 cial education pupils in the public school academy, as determined
26 by the department.

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1 (8) If a district does not receive a payment under
2 subsection (9); if the number of mills the district may levy on a
3 homestead and qualified agricultural property under
4 section 1211(1) of the revised school code, MCL 380.1211, is 0.5
5 mills or less; and if the district elects not to levy those
6 mills, the district instead shall receive a separate supplemental
7 payment under this subsection in an amount equal to the amount
8 the district would have received had it levied those mills, as
9 determined by the department of treasury. A district shall not
10 receive a separate supplemental payment under this subsection for
11 a fiscal year unless in the calendar year ending in the fiscal
12 year the district levies 18 mills or the number of mills of
13 school operating taxes levied by the district in 1993, whichever
14 is less, on property that is not a homestead or qualified agri-
15 cultural property.

16 (9) For a district that had combined state and local revenue
17 per membership pupil in the 1993-94 state fiscal year of more
18 than \$6,500.00 and that had fewer than 350 pupils in membership,
19 if the district elects not to reduce the number of mills from
20 which a homestead and qualified agricultural property are exempt
21 and not to levy school operating taxes on a homestead and quali-
22 fied agricultural property as provided in section 1211(1) of the
23 revised school code, MCL 380.1211, and not to levy school operat-
24 ing taxes on all property as provided in section 1211(2) of the
25 revised school code, MCL 380.1211, there is allocated under this
26 subsection for 1994-95 and each succeeding fiscal year a separate
27 supplemental payment in an amount equal to the amount the

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1 district would have received per membership pupil had it levied
2 school operating taxes on a homestead and qualified agricultural
3 property at the rate authorized for the district under section
4 1211(1) of the revised school code, MCL 380.1211, and levied
5 school operating taxes on all property at the rate authorized for
6 the district under section 1211(2) of the revised school code,
7 MCL 380.1211, as determined by the department of treasury. A
8 district shall not receive a separate supplemental payment under
9 this subsection for a fiscal year unless in the calendar year
10 ending in the fiscal year the district levies 18 mills or the
11 number of mills of school operating taxes levied by the district
12 in 1993, whichever is less, on property that is not a homestead
13 or qualified agricultural property.

14 (10) A district or public school academy may use any funds
15 allocated under this section in conjunction with any federal
16 funds for which the district or public school academy otherwise
17 would be eligible.

18 (11) For a district that is formed or reconfigured after
19 June 1, 1994 by consolidation of 2 or more districts or by annex-
20 ation, the resulting district's foundation allowance under this
21 section beginning after the effective date of the consolidation
22 or annexation shall be the average of the foundation allowances
23 of each of the original or affected districts, calculated as pro-
24 vided in this section, weighted as to the percentage of pupils in
25 total membership in the resulting district who reside in the geo-
26 graphic area of each of the original districts. If an affected
27 district's foundation allowance is less than the basic foundation

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1 allowance, the amount of that district's foundation allowance
2 shall be considered for the purpose of calculations under this
3 subsection to be equal to the amount of the basic foundation
4 allowance.

5 (12) Each fraction used in making calculations under this
6 section shall be rounded to the fourth decimal place and the
7 dollar amount of an increase in the basic foundation allowance
8 shall be rounded to the nearest whole dollar.

9 (13) State payments related to payment of the foundation
10 allowance for a special education pupil are not funded under this
11 section but are instead funded under section 51a.

12 (14) To assist the legislature in determining the basic
13 foundation allowance for the subsequent state fiscal year, except
14 for the January 1998 revenue estimating conference, each revenue
15 estimating conference conducted under section 367b of the manage-
16 ment and budget act, 1984 PA 431, MCL 18.1367b, shall calculate a
17 pupil membership factor, a revenue adjustment factor, and an
18 index as follows:

19 (a) The pupil membership factor shall be computed by divid-
20 ing the estimated membership in the school year ending in the
21 current state fiscal year, excluding intermediate district mem-
22 bership, by the estimated membership for the school year ending
23 in the subsequent state fiscal year, excluding intermediate dis-
24 trict membership. If a consensus membership factor is not deter-
25 mined at the revenue estimating conference, the principals of the
26 revenue estimating conference shall report their estimates to the
27 house and senate subcommittees responsible for school aid

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1 appropriations not later than 7 days after the conclusion of the
2 revenue conference.

3 (b) The revenue adjustment factor shall be computed by
4 dividing the sum of the estimated total state school aid fund
5 revenue for the subsequent state fiscal year plus the estimated
6 total state school aid fund revenue for the current state fiscal
7 year, adjusted for any change in the rate or base of a tax the
8 proceeds of which are deposited in that fund and excluding money
9 transferred into that fund from the countercyclical budget and
10 economic stabilization fund under section 353e of the management
11 and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the
12 estimated total school aid fund revenue for the current state
13 fiscal year plus the estimated total state school aid fund reve-
14 nue for the immediately preceding state fiscal year, adjusted for
15 any change in the rate or base of a tax the proceeds of which are
16 deposited in that fund. If a consensus revenue factor is not
17 determined at the revenue estimating conference, the principals
18 of the revenue estimating conference shall report their estimates
19 to the house and senate subcommittees responsible for school aid
20 appropriations not later than 7 days after the conclusion of the
21 revenue conference.

22 (c) The index shall be calculated by multiplying the pupil
23 membership factor by the revenue adjustment factor. ~~However,~~
24 ~~for 1998-99 only, the index shall be 1.00.~~ If a consensus index
25 is not determined at the revenue estimating conference, the prin-
26 cipals of the revenue estimating conference shall report their
27 estimates to the house and senate subcommittees responsible for

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1 school aid appropriations not later than 7 days after the
2 conclusion of the revenue conference.

3 ~~(15) If the principals at the revenue estimating conference~~
4 ~~reach a consensus on the index described in subsection (14)(c),~~
5 ~~the basic foundation allowance for the subsequent state fiscal~~
6 ~~year shall be at least the amount of that consensus index multi-~~
7 ~~plied by the basic foundation allowance specified in subsection~~
8 ~~(1).~~

9 ~~(16) If the estimated amount of total state school aid fund~~
10 ~~revenue available for 1998-99 as estimated at the May 1998 reve-~~
11 ~~nue estimating conference is greater than \$9,036,198,400.00, then~~
12 ~~the revenue estimating conference shall estimate the increase in~~
13 ~~the basic foundation allowance for 1998-99 and it is the intent~~
14 ~~of the legislature that the amount of the basic foundation allow-~~
15 ~~ance for 1998-99 shall be increased accordingly.~~

16 (15) ~~(17)~~ If the pupil membership, excluding intermediate
17 district membership, for the school year ending in the next state
18 fiscal year is estimated at the January revenue estimating con-
19 ference to be greater than 101% of the pupil membership, exclud-
20 ing intermediate district membership, for the school year ending
21 in the current state fiscal year, then it is the intent of the
22 legislature that the executive budget proposal for the school aid
23 budget in the subsequent state fiscal year incorporate a general
24 fund/general purpose allocation that is greater than the general
25 fund/general purpose allocation in the current fiscal year, to
26 support the estimated membership in excess of 101% of the
27 membership in the current year.

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1 (16) ~~(18)~~ As used in this section:

2 (a) "Combined state and local revenue per membership pupil"
3 means the aggregate of the district's state school aid received
4 by or paid on behalf of the district under this section and the
5 district's local school operating revenue, divided by the
6 district's membership excluding special education pupils.

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

9 (c) "Homestead" means that term as defined in section 1211
10 of the revised school code, MCL 380.1211.

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

14 (e) "Local school operating revenue" means school operating
15 taxes levied under section 1211 of the revised school code, MCL
16 380.1211.

17 (f) "Local school operating revenue per membership pupil"
18 means a district's local school operating revenue divided by the
19 district's membership excluding special education pupils.

20 (g) "Membership" means the definition of that term under
21 section 6 as in effect for the particular fiscal year for which a
22 particular calculation is made.

23 (h) "Qualified agricultural property" means that term as
24 defined in section 1211 of the revised school code, MCL
25 380.1211.

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1 (i) "School operating purposes" means the purposes included
2 in the operation costs of the district as prescribed in
3 sections 7 and 18.

4 (j) "School operating taxes" means local ad valorem property
5 taxes levied under section 1211 of the revised school code, MCL
6 380.1211, and retained for school operating purposes.

7 (k) "Taxable value per membership pupil" means taxable
8 value, as certified by the department of treasury, for the calen-
9 dar year ending in the current state fiscal year divided by the
10 district's membership excluding special education pupils for the
11 school year ending in the current state fiscal year.

12 Sec. 25. If a pupil is enrolled PURSUANT TO SECTION 25A in
13 ~~an alternative~~ A DISCIPLINARY education program operated by an
14 intermediate district, ~~or~~ district, ~~for middle school or high~~
15 ~~school pupils, or both,~~ OR CONSORTIUM OR OTHER COOPERATIVE
16 ARRANGEMENT FOR PUPILS who have been expelled FROM SCHOOL under
17 ~~section 1311 of~~ the revised school code, ~~MCL 380.1311~~ AND IF
18 THE PROGRAM IS NOT OPERATED BY THE DISTRICT IN WHICH THE PUPIL IS
19 COUNTED IN MEMBERSHIP, the intermediate district, ~~or~~ district,
20 OR CONSORTIUM OR OTHER COOPERATIVE ARRANGEMENT operating the pro-
21 gram shall report the enrollment information to the department
22 and to the district in which the pupil is counted in membership.
23 ~~, and~~ UPON RECEIVING THIS REPORT, the district in which the
24 pupil is counted in membership shall pay to the intermediate
25 district, ~~or~~ district, OR CONSORTIUM OR OTHER COOPERATIVE
26 ARRANGEMENT operating the program an amount equal to the amount
27 of ~~the foundation allowance~~ TOTAL STATE SCHOOL AID ATTRIBUTABLE

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1 TO THE PUPIL received by the district in which the pupil is
2 counted in membership, prorated according to the number of days
3 of the school year ending in the fiscal year the pupil is edu-
4 cated in the ~~alternative~~ DISCIPLINARY education program com-
5 pared to the number of days of the school year ending in the
6 fiscal year the pupil was actually enrolled in the district in
7 which the pupil is counted in membership. If a district does not
8 make the payment required under this section within 30 days after
9 receipt of the report, the department shall calculate the amount
10 owed, shall deduct that amount from the remaining state school
11 aid payments to the district for that fiscal year under this act,
12 and shall pay that amount to the intermediate district, ~~or~~
13 district, OR CONSORTIUM OR OTHER COOPERATIVE ARRANGEMENT operat-
14 ing the ~~alternative~~ DISCIPLINARY education program. The dis-
15 trict in which the pupil is counted in membership and the inter-
16 mediate district, ~~or~~ district, OR CONSORTIUM OR OTHER COOPERA-
17 TIVE ARRANGEMENT operating the ~~alternative~~ DISCIPLINARY educa-
18 tion program shall provide to the department all information the
19 department requires to enforce this section.

20 SEC. 25A. (1) IN ADDITION TO ANY OTHER MONEY APPROPRIATED
21 UNDER THIS ACT, THERE IS APPROPRIATED FROM THE SEPARATE STATE
22 SCHOOL AID FUND ACCOUNT DESCRIBED IN SECTION 10 AN AMOUNT NOT TO
23 EXCEED \$6,000,000.00 FOR 1998-99 FOR SUPPORTING DISCIPLINARY EDU-
24 CATION PROGRAMS DESCRIBED IN THIS SECTION.

25 (2) FOR EACH PUPIL PLACED IN A DISCIPLINARY EDUCATION PRO-
26 GRAM PURSUANT TO THIS SECTION, THE DISTRICT, INTERMEDIATE
27 DISTRICT, OR CONSORTIUM OR OTHER COOPERATIVE ARRANGEMENT

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1 OPERATING THE PROGRAM SHALL RECEIVE AN AMOUNT EQUAL TO THE
2 FOLLOWING:

3 (A) IF THE PUPIL IS EDUCATED IN THE DISCIPLINARY EDUCATION
4 PROGRAM FOR THE ENTIRE SCHOOL YEAR ENDING IN THE FISCAL YEAR,
5 \$1,500.00.

6 (B) IF THE PUPIL IS EDUCATED IN THE DISCIPLINARY EDUCATION
7 PROGRAM FOR LESS THAN THE ENTIRE SCHOOL YEAR ENDING IN THE FISCAL
8 YEAR, A PRORATED PORTION OF \$1,500.00 PRORATED ACCORDING TO THE
9 NUMBER OF DAYS OF THAT SCHOOL YEAR THE PUPIL IS EDUCATED IN THE
10 DISCIPLINARY EDUCATION PROGRAM.

11 (3) THE BOARD OF A DISTRICT OR INTERMEDIATE DISTRICT THAT
12 RECEIVES FUNDS UNDER THIS ACT SHALL ENSURE THAT ALL PUPILS WHO
13 ARE EXPELLED FROM THE [DISTRICT OR INTERMEDIATE DISTRICT] UNDER
SECTION 1311 OR 1311A
14 OF THE REVISED SCHOOL CODE, MCL 380.1311 AND 380.1311A, ARE PRO-
15 VIDED WITH AN APPROPRIATE DISCIPLINARY EDUCATION PROGRAM AS
16 DESCRIBED IN THIS SECTION. THE BOARD OF A DISTRICT OR INTERMEDI-
17 ATE DISTRICT MAY ALSO PLACE DISRUPTIVE PUPILS IN THE DISCIPLINARY
18 EDUCATION PROGRAM. THE BOARD OF A DISTRICT OR INTERMEDIATE DIS-
19 TRICT MAY PROVIDE THE DISCIPLINARY EDUCATION PROGRAM DIRECTLY,
20 MAY PROVIDE THE PROGRAM IN A CONSORTIUM OR OTHER COOPERATIVE
21 ARRANGEMENT WITH 1 OR MORE OTHER DISTRICTS, OR MAY PARTICIPATE IN
22 A DISCIPLINARY EDUCATION PROGRAM CONDUCTED BY 1 OR MORE INTERME-
23 DIATE DISTRICTS.

24 (4) ALL OF THE FOLLOWING APPLY TO A DISCIPLINARY EDUCATION
25 PROGRAM OPERATED PURSUANT TO THIS SECTION:

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1 (A) THE PROGRAM SHALL BE PROVIDED IN A SETTING OTHER THAN
2 THE CLASSROOM THAT WOULD BE THE PUPIL'S REGULAR CLASSROOM IF THE
3 PUPIL HAD NOT BEEN PLACED IN THE DISCIPLINARY EDUCATION PROGRAM.

4 (B) THE PROGRAM MAY BE LOCATED ON OR OFF A REGULAR SCHOOL
5 CAMPUS.

6 (C) THE PROGRAM SHALL BE IN A SETTING THAT ENSURES THAT THE
7 PUPILS ARE PHYSICALLY SEPARATED AT ALL TIMES DURING THE SCHOOL
8 DAY FROM THE GENERAL PUPIL POPULATION. THE PROGRAM MAY INCLUDE
9 PUPILS EXPELLED UNDER SECTION 1311(2) OF THE REVISED SCHOOL CODE,
10 MCL 380.1311, PUPILS EXPELLED UNDER SECTION 1311A OF THE REVISED
11 SCHOOL CODE, MCL 380.1311A, AND OTHER PUPILS PLACED IN THE PRO-
12 GRAM, OR ANY COMBINATION OF THESE, TOGETHER IN THE SAME EDUCA-
13 TIONAL AND PHYSICAL SETTING.

14 (D) THE PROGRAM SHALL PROVIDE FOR BOTH THE ACADEMIC AND
15 BEHAVIOR MANAGEMENT NEEDS OF THE PUPIL IN A STRUCTURED, CON-
16 TROLLED ENVIRONMENT.

17 (E) TO THE GREATEST EXTENT PRACTICABLE, THE PROGRAM SHALL
18 INVOLVE LOCAL MENTAL HEALTH, SOCIAL SERVICES, COMMUNITY HEALTH,
19 AND OTHER SUPPORTIVE AGENCIES IN A COLLABORATIVE APPROACH FOR
20 REFERRAL, TREATMENT, AND ASSISTANCE IN MEETING THE NEEDS OF THE
21 PUPIL.

22 (F) THE PROGRAM SHALL INVOLVE A PUPIL'S PARENT OR LEGAL
23 GUARDIAN IN AN ONGOING FASHION.

24 (G) A PUPIL PLACED IN THE PROGRAM IS REQUIRED TO ATTEND
25 SCHOOL IN THE PROGRAM AND IS SUBJECT TO THE COMPULSORY SCHOOL
26 ATTENDANCE PROVISIONS OF PART 24 OF THE REVISED SCHOOL CODE, MCL
27 380.1561 TO 380.1599, IF HE OR SHE FAILS TO ATTEND THE PROGRAM.

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1 (5) A DISTRICT OR INTERMEDIATE DISTRICT SHALL COOPERATE WITH
2 OTHER GOVERNMENTAL AGENCIES AND COMMUNITY ORGANIZATIONS THAT ARE
3 PROVIDING SERVICES TO A PUPIL WHO IS PLACED IN A DISCIPLINARY
4 EDUCATION PROGRAM.

5 (6) UPON REQUEST FROM A CONSTITUENT DISTRICT, AN INTERMEDI-
6 ATE DISTRICT RECEIVING FUNDS UNDER THIS ACT SHALL DO 1 OR MORE OF
7 THE FOLLOWING:

8 (A) COORDINATE AND ASSIST THE DISTRICT'S PARTICIPATION IN OR
9 PROVIDING OF A DISCIPLINARY EDUCATION PROGRAM UNDER THIS
10 SECTION.

11 (B) PROVIDE TECHNICAL ASSISTANCE TO THE DISTRICT IN DEVELOP-
12 ING THE DISTRICT'S OWN DISCIPLINARY EDUCATION PROGRAM UNDER THIS
13 SECTION.

14 (7) AS USED IN THIS SECTION, "DISRUPTIVE PUPIL" MEANS A
15 PUPIL WHO CONSISTENTLY ENGAGES IN DISRUPTIVE BEHAVIOR AND WHOSE
16 BEHAVIOR MEETS 1 OR MORE OF THE FOLLOWING:

17 (A) POSES A THREAT TO THE SAFETY AND WELFARE OF OTHER
18 PUPILS, TEACHERS, AND OTHER SCHOOL PERSONNEL.

19 (B) CREATES AN UNSAFE SCHOOL ENVIRONMENT.

20 (C) MATERIALLY INTERFERES WITH THE LEARNING OF OTHER PUPILS
21 OR DISRUPTS THE OVERALL EDUCATIONAL PROCESS, IN A CONTINUING AND
22 ONGOING FASHION.

[SEC. 31B. FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, AN AMOUNT NOT TO EXCEED \$1,250,000.00 IS ALLOCATED FOR 1998-99 TO DISTRICTS LOCATED IN CITIES WITH A POPULATION GREATER THAN 100,000 OR IN WHICH AT LEAST 75% OF THE PUPILS IN MEMBERSHIP MET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, AS DETERMINED AND REPORTED AS DESCRIBED IN SECTION 31A(1), TO BE USED TO EXTEND THE TIME SCHOOLS OF THE DISTRICT ARE OPEN BY AN EXTRA 3 HOURS PER SCHOOL DAY. FUNDS SHALL BE DISTRIBUTED TO ELIGIBLE DISTRICTS ON A PRORATED BASIS, USING TOTAL NUMBER OF PUPILS PER DISTRICT AS THE BASIS FOR THE PRORATION. DURING THE EXTRA 3 HOURS PER SCHOOL DAY, A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL USE THE FUNDS FOR 1 OR MORE OF THE FOLLOWING NONATHLETIC PROGRAM AREAS:

- (A) ACADEMIC GAMES.
- (B) COMPUTER LITERACY PROGRAMS.
- (C) PEER MEDIATION PROGRAMS.
- (D) CONFLICT RESOLUTION PROGRAMS.
- (E) TUTORIAL PROGRAMS.
- (F) LITERACY PROGRAMS.]

23 SEC. 31D. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION
24 IN SECTION 11, THERE IS ALLOCATED FOR 1998-99 AN AMOUNT NOT TO
25 EXCEED \$2,000,000.00 FOR THE IMPLEMENTATION OF THE AMER-I-CAN
26 PROGRAM. THE PROGRAM SHALL PROVIDE LIFE MANAGEMENT AND PARENTING
27 SKILLS TRAINING SESSIONS AND EVALUATION SERVICES FOR 2,000 PUBLIC

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1 HIGH SCHOOL AND MIDDLE SCHOOL STUDENTS IN 20 URBAN DISTRICTS
2 DURING THE 1998-99 SCHOOL YEAR. THE DEPARTMENT SHALL DETERMINE
3 THE DISTRICTS TO RECEIVE FUNDING UNDER THIS SECTION, THE IDENTITY
4 OF THE SCHOOLS WITHIN THOSE DISTRICTS TO BE TARGETED BY THE PRO-
5 GRAM, AND THE NUMBER OF PUPILS TO BE FUNDED AT EACH DISTRICT AND
6 SCHOOL UNDER THIS SECTION. DISTRICTS IDENTIFIED BY THE DEPART-
7 MENT SHALL RECEIVE \$1,000.00 PER PUPIL WHO PARTICIPATES IN THE
8 AMER-I-CAN COURSES AND CURRICULUM OFFERED AT 1 OR MORE SCHOOLS OF
9 THE DISTRICT. THE PARTICIPATING PUPILS SHALL BE SELECTED BY THE
10 SCHOOL.

11 (2) THE PROGRAM DESCRIBED IN SUBSECTION (1) SHALL FURNISH
12 TRAINED FACILITATORS AT THE DESIGNATED SCHOOLS TO ASSIST IN
13 SCREENING STUDENTS AND EVALUATING CURRICULUM. THE PROGRAM SHALL
14 ALSO FURNISH THE EVALUATION INSTRUMENTS AND INTERPRETATION SERV-
15 ICES TO THE PARTICIPATING SCHOOLS AND DISTRICTS.

16 (3) THE DEPARTMENT SHALL MAKE AVAILABLE TO ALL URBAN DIS-
17 TRICTS AN APPLICATION AND APPLICATION GUIDELINES FOR THE PURPOSES
18 OF THIS SECTION.

19 (4) A DISTRICT INTERESTED IN RECEIVING FUNDING UNDER THIS
20 SECTION SHALL PROVIDE THE DEPARTMENT WITH INFORMATION THE DEPART-
21 MENT CONSIDERS NECESSARY TO SELECT THE DISTRICTS AND SCHOOLS THAT
22 WILL RECEIVE FUNDING UNDER THIS SECTION.

23 Sec. 51a. (1) From the appropriation in section 11, there
24 is allocated \$818,786,700.00 for 1997-98 to consist of an amount
25 not to exceed \$722,853,300.00 from state sources and
26 \$95,933,400.00 in federal funding under sections 611 to 620 of
27 part B of the individuals with disabilities education act, title

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1 VI of Public Law 91-230, 20 U.S.C. 1411 to 1420, plus any
2 carryover federal funds from previous year appropriations, and
3 there is allocated for 1998-99 an amount not to exceed
4 ~~-\$771,053,300.00~~ \$764,734,100.00 from state sources and all
5 available federal funding, estimated at \$120,000,000.00, plus any
6 carryover federal funds from previous year appropriations, for
7 the purpose of reimbursing districts and intermediate districts
8 for special education programs, services, and special education
9 personnel as prescribed in article 3 of the revised school code,
10 MCL 380.1701 to 380.1766; net tuition payments made by intermedi-
11 ate districts to the Michigan schools for the deaf and blind; and
12 programs for pupils with handicaps as defined by the department.
13 For meeting the costs of special education programs and services
14 not reimbursed under this article, a district or intermediate
15 district may use money in general funds or special education
16 funds, not otherwise restricted, or contributions from districts
17 to intermediate districts, tuition payments, gifts and contribu-
18 tions from individuals, or federal funds that may be available
19 for this purpose, as determined by the intermediate district plan
20 prepared pursuant to article 3 of the revised school code, MCL
21 380.1701 to 380.1766.

22 (2) From the funds allocated under subsection (1), there is
23 allocated for 1997-98 and for 1998-99 the amount necessary, esti-
24 mated at \$620,906,100.00 for 1997-98 and ~~-\$672,274,000.00~~
25 \$663,256,600.00 for 1998-99, for payments toward reimbursing dis-
26 tricts and intermediate districts for 28.6138% of total approved
27 costs of special education, excluding costs reimbursed under

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1 section 53a, and 70.4165% of total approved costs of special
2 education transportation. Allocations under this subsection
3 shall be made as follows:

4 (a) The initial amount allocated to a district under this
5 subsection toward fulfilling the specified percentages shall be
6 calculated by multiplying the district's special education pupil
7 membership, excluding pupils described in subsection (13), times
8 the foundation allowance under section 20 of the pupil's district
9 of residence, not to exceed \$6,500.00 adjusted by the dollar
10 amount of the difference between the 1997-98 and 1998-99 basic
11 foundation allowance under section 20 and \$5,000.00, or, for a
12 special education pupil in membership in a district that is a
13 public school academy or university school, times an amount equal
14 to the amount per membership pupil calculated under section
15 20(6). For an intermediate district, the amount allocated under
16 this subdivision toward fulfilling the specified percentages
17 shall be an amount per special education membership pupil,
18 excluding pupils described in subsection (13), and shall be cal-
19 culated in the same manner as for a district, using the founda-
20 tion allowance under section 20 of the pupil's district of resi-
21 dence, not to exceed \$6,500.00 adjusted by the dollar amount of
22 the difference between the 1997-98 and 1998-99 basic foundation
23 allowance under section 20 and \$5,000.00.

24 (b) After the allocations under subdivision (a), districts
25 and intermediate districts for which the payments under
26 subdivision (a) do not fulfill the specified percentages shall be

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1 paid the amount necessary to achieve the specified percentages
2 for the district or intermediate district.

3 (3) From the funds allocated under subsection (1), there is
4 allocated for 1997-98 and for 1998-99 the amount necessary, esti-
5 mated at \$29,224,700.00 for 1997-98 and ~~-\$26,056,800.00~~
6 \$28,608,900.00 for 1998-99, to make payments to districts and
7 intermediate districts under this subsection. If the amount
8 allocated to a district or intermediate district for 1997-98 or
9 1998-99 under subsection (2)(b) is less than the sum of the
10 amounts allocated to the district or intermediate district for
11 1996-97 under sections 52 and 58, there is allocated to the dis-
12 trict or intermediate district for 1997-98 or for 1998-99, or
13 both as applicable, an amount equal to that difference, adjusted
14 by applying the same proration factor that was used in the dis-
15 tribution of funds under section 52 in 1996-97 as adjusted to the
16 district's or intermediate district's necessary costs of special
17 education used in calculations for 1997-98 or 1998-99. This
18 adjustment is to reflect reductions in special education program
19 operations between 1996-97 and 1997-98 or 1998-99, as
20 applicable.

21 (4) If the department determines that the sum of the amounts
22 allocated for a fiscal year to a district or intermediate dis-
23 trict under subsection (2)(a) and (b) is not sufficient to ful-
24 fill the specified percentages in subsection (2), then the short-
25 fall shall be paid to the district or intermediate district
26 during the fiscal year beginning on the October 1 following the
27 determination and payments under subsection (3) shall be adjusted

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1 as necessary. If the department determines that the sum of the
2 amounts allocated for a fiscal year to a district or intermediate
3 district under subsection (2)(a) and (b) exceeds the sum of the
4 amount necessary to fulfill the specified percentages in subsec-
5 tion (2), then the department shall deduct the amount of the
6 excess from the district's or intermediate district's payments
7 under this act for the fiscal year beginning on the October 1
8 following the determination and payments under subsection (3)
9 shall be adjusted as necessary. However, if the amount allocated
10 under subsection (2)(a) in itself exceeds the amount necessary to
11 fulfill the specified percentages in subsection (2), there shall
12 be no deduction under this subsection.

13 (5) State funds shall be allocated on a total approved cost
14 basis. Federal funds shall be allocated under applicable federal
15 requirements, except that an amount not to exceed \$3,100,000.00
16 may be allocated by the department for 1997-98, and an amount not
17 to exceed \$3,500,000.00 may be allocated by the department for
18 1998-99, to districts or intermediate districts on a competitive
19 grant basis for programs, equipment, and services that the
20 department determines to be designed to benefit or improve spe-
21 cial education on a statewide scale.

22 (6) From the amount allocated in subsection (1), there is
23 allocated an amount not to exceed \$1,700,000.00 for 1997-98 and
24 an amount not to exceed \$2,200,000.00 for 1998-99 to reimburse
25 100% of the net increase in necessary costs incurred by a dis-
26 trict or intermediate district in implementing the revisions in
27 the administrative rules for special education that became

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1 effective on July 1, 1987. As used in this subsection, "net
2 increase in necessary costs" means the necessary additional costs
3 incurred solely because of new or revised requirements in the
4 administrative rules minus cost savings permitted in implementing
5 the revised rules. Net increase in necessary costs shall be
6 determined in a manner specified by the department.

7 (7) For purposes of this article, all of the following
8 apply:

9 (a) "Total approved costs of special education" shall be
10 determined in a manner specified by the department and may
11 include indirect costs, but shall not exceed 115% of approved
12 direct costs for section 52 and section 53a programs. The total
13 approved costs include salary and other compensation for all
14 approved special education personnel for the program, including
15 payments for social security and medicare and public school
16 employee retirement system contributions. The total approved
17 costs do not include salaries or other compensation paid to
18 administrative personnel who are not special education personnel
19 as defined in section 6 of the revised school code, MCL 380.6.
20 Costs reimbursed by federal funds, other than those federal funds
21 included in the allocation made under this article, are not
22 included. Special education approved personnel not utilized full
23 time in the evaluation of students or in the delivery of special
24 education programs, ancillary, and other related services shall
25 be reimbursed under this section only for that portion of time
26 actually spent providing these programs and services, with the
27 exception of special education programs and services provided to

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1 youth placed in child caring institutions or juvenile detention
2 programs approved by the department to provide an on-grounds edu-
3 cation program.

4 (b) 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 by and
7 available through private group health insurance carriers or fed-
8 eral reimbursed program sources unless the department and dis-
9 trict or intermediate district agree otherwise and that agreement
10 is approved by the department of management and budget.

11 Expenses, other than the incidental expense of filing, shall not
12 be borne by the parent. In addition, the filing of claims shall
13 not delay the education of a pupil. A district or intermediate
14 district shall be responsible for payment of a deductible amount
15 and for an advance payment required until the time a claim is
16 paid.

17 (8) From the allocation in subsection (1), there is allo-
18 cated for 1997-98 and for 1998-99 an amount not to exceed
19 \$15,313,900.00 each fiscal year to intermediate districts. The
20 payment under this subsection to each intermediate district shall
21 be equal to the amount of the 1996-97 allocation to the interme-
22 diate district under this subsection.

23 (9) A pupil who is enrolled in a full-time special education
24 program conducted or administered by an intermediate district or
25 a pupil who is enrolled in the Michigan schools for the deaf and
26 blind shall not be included in the membership count of a

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1 district, but shall be counted in membership in the intermediate
2 district of residence.

3 (10) Notwithstanding section 6(4), for 1997-98 only, for
4 pupils enrolled in a center program pursuant to an intermediate
5 district plan the department shall use for the February 1997 sup-
6 plemental count the definition of membership used for the 1997-98
7 pupil membership count day.

8 (11) Special education personnel transferred from 1 district
9 to another to implement the revised school code shall be entitled
10 to the rights, benefits, and tenure to which the person would
11 otherwise be entitled had that person been employed by the
12 receiving district originally.

13 (12) If a district or intermediate district uses money
14 received under this section for a purpose other than the purpose
15 or purposes for which the money is allocated, the department may
16 require the district or intermediate district to refund the
17 amount of money received. Money that is refunded shall be depos-
18 ited in the state treasury to the credit of the state school aid
19 fund.

20 (13) From the funds allocated in subsection (1), there is
21 allocated each fiscal year for 1997-98 and for 1998-99 the amount
22 necessary, estimated at \$8,370,600.00 for 1997-98 and
23 ~~\$8,503,400.00~~ \$8,516,700.00 for 1998-99, to pay the foundation
24 allowances for pupils described in this subsection. The alloca-
25 tion to a district under this subsection shall be calculated by
26 multiplying the number of pupils described in this subsection who
27 are counted in membership in the district times the foundation

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1 allowance under section 20 of the pupil's district of residence,
2 not to exceed \$6,500.00 adjusted by the dollar amount of the dif-
3 ference between the 1997-98 and 1998-99 basic foundation allow-
4 ance under section 20 and \$5,000.00, or, for a pupil described in
5 this subsection who is counted in membership in a district that
6 is a public school academy or university school, times an amount
7 equal to the amount per membership pupil under section 20(6).

8 The allocation to an intermediate district under this subsection
9 shall be calculated in the same manner as for a district, using
10 the foundation allowance under section 20 of the pupil's district
11 of residence, not to exceed \$6,500.00 adjusted by the dollar
12 amount of the difference between the 1997-98 and 1998-99 basic
13 foundation allowance under section 20 and \$5,000.00. This sub-
14 section applies to all of the following pupils:

15 (a) Pupils described in section 53a.

16 (b) Pupils counted in membership in an intermediate district
17 who are not special education pupils and are served by the inter-
18 mediate district in a juvenile detention or child caring
19 facility.

20 (c) Emotionally impaired pupils counted in membership by an
21 intermediate district and provided educational services by the
22 department of community health.

23 (14) After payments under subsections (2) and (13), the
24 remaining expenditures from the allocation in subsection (1)
25 shall be made in the following order:

26 (a) 100% of the reimbursement required under section 53a.

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1 (b) 100% of the reimbursement required under subsection
2 (6).

3 (c) 100% of the payment required under section 54.

4 (d) 100% of the payment required under subsection (3).

5 (e) 100% of the payment required under subsection (8).

6 (f) 100% of the payments under section 56.

7 Sec. 62. (1) For the purposes of this section:

8 (a) "Membership" means for 1997-98 the total membership in
9 1996-97 of the intermediate district and the districts constitu-
10 ent to the intermediate district or the total membership in
11 1996-97 of the area vocational-technical education program, and
12 means for 1998-99 the total membership in 1997-98 of the interme-
13 diate district and the districts constituent to the intermediate
14 district or the total membership in 1997-98 of the area
15 vocational-technical program.

16 (b) "Millage levied" means the millage levied for area
17 vocational-technical education pursuant to sections 681 to 690 of
18 the revised school code, MCL 380.681 to 380.690, including a levy
19 for debt service obligations incurred as the result of borrowing
20 for capital outlay projects and in meeting capital projects fund
21 requirements of area vocational-technical education.

22 (c) "Taxable value" means the total taxable value of the
23 districts constituent to an intermediate district or area
24 vocational-technical education program, except that if a district
25 has elected not to come under sections 681 to 690 of the revised
26 school code, MCL 380.681 to 380.690, the membership and taxable
27 value of that district shall not be included in the membership

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1 and taxable value of the intermediate district. HOWEVER,
2 BEGINNING IN 1998-99, THE MEMBERSHIP AND TAXABLE VALUE OF A DIS-
3 TRICT THAT HAS ELECTED NOT TO COME UNDER SECTIONS 681 TO 690 OF
4 THE REVISED SCHOOL CODE SHALL BE INCLUDED IN THE MEMBERSHIP AND
5 TAXABLE VALUE OF THE INTERMEDIATE DISTRICT IF THE DISTRICT MEETS
6 BOTH OF THE FOLLOWING:

7 (A) THE DISTRICT OPERATES THE AREA VOCATIONAL-TECHNICAL EDU-
8 CATION PROGRAM PURSUANT TO A CONTRACT WITH THE INTERMEDIATE
9 DISTRICT.

10 (B) THE DISTRICT CONTRIBUTES AN ANNUAL AMOUNT TO THE OPERA-
11 TION OF THE PROGRAM THAT IS COMMENSURATE WITH THE REVENUE THAT
12 WOULD HAVE BEEN RAISED FOR OPERATION OF THE PROGRAM IF MILLAGE
13 WERE LEVIED IN THE DISTRICT FOR THE PROGRAM UNDER SECTIONS 681 TO
14 690 OF THE REVISED SCHOOL CODE, MCL 380.681 TO 380.690.

15 (2) From the appropriation in section 11, there is allocated
16 an amount not to exceed \$7,200,000.00 ~~each fiscal year~~ for
17 1997-98 and AN AMOUNT NOT TO EXCEED \$8,550,000.00 for 1998-99 to
18 reimburse intermediate districts and area vocational-technical
19 education programs established under section 690(3) of the
20 revised school code, MCL 380.690, levying millages for area
21 vocational-technical education pursuant to sections 681 to 690 of
22 the revised school code, MCL 380.681 to 380.690. The purpose,
23 use, and expenditure of the reimbursement shall be limited as if
24 the funds were generated by those millages.

25 (3) Reimbursement for the millages levied in 1996-97 shall
26 be made in 1997-98 at an amount per 1996-97 membership pupil
27 computed by subtracting from \$98,700.00 the 1996-97 taxable value

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1 behind each membership pupil, and multiplying the resulting
2 difference by the 1996-97 millage levied. Reimbursement for the
3 millages levied in 1997-98 shall be made in 1998-99 at an amount
4 per 1997-98 membership pupil computed by subtracting from
5 \$102,400.00 the 1997-98 taxable value behind each membership
6 pupil, and multiplying the resulting difference by the 1997-98
7 millage levied.

8 SEC. 63. (1) FROM THE MONEY APPROPRIATED IN SECTION 11,
9 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$2,150,000.00 FOR
10 1998-99 FOR IMPLEMENTATION OF THE MICHIGAN MANUFACTURING TECHNOL-
11 OGY PROGRAM FOR THE 1998-99 SCHOOL YEAR AS PROVIDED UNDER THIS
12 SECTION.

13 (2) FROM THE ALLOCATION IN SUBSECTION (1), THE DEPARTMENT
14 SHALL AWARD A GRANT OF \$36,000.00 TO EACH SECONDARY AREA
15 VOCATIONAL-TECHNICAL EDUCATION CENTER THAT MEETS ALL OF THE
16 FOLLOWING:

17 (A) OPERATES A MANUFACTURING TECHNOLOGY PROGRAM.

18 (B) PARTICIPATES WITH THE MICHIGAN SCHOOL TO WORK CLEARING-
19 HOUSE AT MICHIGAN STATE UNIVERSITY IN TECHNICAL ASSISTANCE WORK-
20 SHOPS AND OTHER SIMILAR RELATED ACTIVITIES.

21 (C) OFFERS EMPLOYER-PROVIDED INSTRUCTION FOR ITS PUPILS PRO-
22 VIDED BY LOCAL MANUFACTURERS, AND MAINTAINS AND MAKES AVAILABLE
23 TO THE DEPARTMENT RECORDS OF THE AMOUNT OF THAT INSTRUCTION.

24 (D) APPLIES TO THE DEPARTMENT IN THE FORM AND MANNER PRE-
25 SCRIBED BY THE DEPARTMENT.

26 (3) A SECONDARY AREA VOCATIONAL-TECHNICAL EDUCATION CENTER
27 RECEIVING A GRANT UNDER THIS SECTION SHALL USE THE GRANT MONEY

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1 FOR ACTIVITIES INTENDED TO INCREASE THE AMOUNT OF
2 EMPLOYER-PROVIDED INSTRUCTION PROVIDED BY LOCAL MANUFACTURERS FOR
3 CENTER PUPILS.

4 (4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLO-
5 CATED AN AMOUNT NOT TO EXCEED \$350,000.00 TO MICHIGAN STATE UNI-
6 VERSITY FOR THE SCHOOL TO WORK CLEARINGHOUSE IN THE COLLEGE OF
7 EDUCATION. FROM THIS AMOUNT, THE SCHOOL TO WORK CLEARINGHOUSE
8 SHALL PROVIDE \$20,000.00 TO THE MICHIGAN EMPLOYMENT SECURITY
9 AGENCY, TO BE USED FOR PROVIDING TECHNICAL ASSISTANCE AND MANU-
10 FACTURER INFORMATION TO THE CENTERS RECEIVING GRANTS UNDER SUB-
11 SECTION (2), AND SHALL PROVIDE \$20,000.00 TO THE MICHIGAN VIRTUAL
12 AUTOMOTIVE COLLEGE, TO BE USED FOR PROVIDING ASSISTANCE IN LINK-
13 ING THE CENTERS RECEIVING GRANTS UNDER SUBSECTION (2) WITH THE
14 SCHOOL TO WORK CLEARINGHOUSE AND IN PROVIDING INNOVATIVE COMMUNI-
15 CATION AND LEARNING EXPERIENCES. THE SCHOOL TO WORK CLEARING-
16 HOUSE SHALL USE THE BALANCE OF ITS ALLOCATION UNDER THIS SUBSEC-
17 TION TO PROVIDE ALL OF THE FOLLOWING TYPES OF TECHNICAL ASSIST-
18 ANCE TO THE CENTERS RECEIVING GRANTS UNDER SUBSECTION (2):

19 (A) PROFESSIONAL DEVELOPMENT.

20 (B) IMPACT STUDY, USING DOCUMENTATION AND EVALUATION OF THE
21 PROGRAM.

22 (C) CONSULTANTS WITH EXPERTISE IN COMPUTER-ASSISTED INSTRUCC-
23 TION AND WORK-BASED CURRICULUM DESIGN.

24 (D) INFORMATION NETWORKING.

25 Sec. 81. (1) Except as otherwise provided in this section,
26 from the appropriation in section 11, there is allocated each
27 fiscal year for 1997-98 and for 1998-99 to the intermediate

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1 districts the sum necessary, but not to exceed \$81,266,700.00
2 ~~each fiscal year~~ FOR 1997-98 AND NOT TO EXCEED \$82,902,600.00
3 FOR 1998-99, to provide state aid to intermediate districts under
4 this subsection and subsections (2) and (3). Except as otherwise
5 provided in this section, there shall be allocated to each inter-
6 mediate district FOR 1997-98 an amount equal to 102.9% of the sum
7 of the amount of funding actually received by the intermediate
8 district under this subsection in 1996-97 and the amount of fund-
9 ing actually received by the intermediate district under FORMER
10 section 11b as in effect for 1995-96. EXCEPT AS OTHERWISE PRO-
11 VIDED IN THIS SECTION, THERE SHALL BE ALLOCATED TO EACH INTERME-
12 DIATE DISTRICT FOR 1998-99 AN AMOUNT EQUAL TO 102% OF THE SUM OF
13 THE AMOUNT OF FUNDING ACTUALLY RECEIVED BY THE INTERMEDIATE DIS-
14 TRICT UNDER THIS SUBSECTION FOR 1997-98 AND THE AMOUNT OF FUNDING
15 ACTUALLY RECEIVED BY THE INTERMEDIATE DISTRICT UNDER FORMER SEC-
16 TION 11B AS IN EFFECT FOR 1996-97. Funding provided under this
17 section shall be used to comply with requirements of this act and
18 the revised school code that are applicable to intermediate dis-
19 tricts, and for which funding is not provided elsewhere in this
20 act, and to provide technical assistance to districts as autho-
21 rized by the intermediate school board.

22 (2) From the allocation in subsection (1), there is allo-
23 cated to an intermediate district, formed by the consolidation or
24 annexation of 2 or more intermediate districts or the attachment
25 of a total intermediate district to another intermediate school
26 district or the annexation of all of the constituent K-12
27 districts of a previously existing intermediate school district

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1 which has disorganized, an additional allotment of \$3,500.00 each
2 fiscal year for each intermediate district included in the new
3 intermediate district for 3 years following consolidation, annex-
4 ation, or attachment.

5 (3) If an intermediate district participated in 1993-94 in a
6 consortium operating a regional educational media center under
7 section 671 of the revised school code, MCL 380.671, and rules
8 promulgated by the state board, and if the intermediate district
9 obtains written consent from each of the other intermediate dis-
10 tricts that participated in the consortium in 1993-94, the inter-
11 mediate district may notify the department not later than
12 October 1, 1996 that it is electing to directly receive its pay-
13 ment attributable to participation in that consortium. An inter-
14 mediate district making that election, and that has obtained the
15 necessary consent, shall receive each fiscal year for 1997-98 and
16 for 1998-99 for each pupil in membership in the intermediate dis-
17 trict or a constituent district an amount equal to the quotient
18 of the 1993-94 allocation to the fiscal agent for that consortium
19 under former section 83, adjusted as determined by the department
20 to account for that election, divided by the combined total mem-
21 bership for the current fiscal year in all of the intermediate
22 districts that participated in that consortium and their constit-
23 utent districts. The amount allocated to an intermediate district
24 under this subsection for a fiscal year shall be deducted from
25 the total allocation for that fiscal year under this section to
26 the intermediate district that was the 1993-94 fiscal agent for
27 the consortium.

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1 (4) During a fiscal year, the department shall not increase
2 an intermediate district's allocation under subsection (1)
3 because of an adjustment made by the department during the fiscal
4 year in the intermediate district's taxable value for a prior
5 year. Instead, the department shall report the adjustment and
6 the estimated amount of the increase to the house and senate
7 fiscal agencies not later than June 1 of the fiscal year, and the
8 legislature shall appropriate money for the adjustment in the
9 next succeeding fiscal year.

10 (5) In order to receive funding under this section, an
11 intermediate district shall demonstrate to the satisfaction of
12 the department that the intermediate district employs at least 1
13 person who is trained in pupil counting procedures, rules, and
14 regulations.

15 Sec. 101. (1) To be eligible to receive state aid under
16 this act, not later than the fifth Wednesday after the pupil mem-
17 bership count day and not later than the fifth Wednesday after
18 the supplemental count day, each district superintendent through
19 the secretary of the district's board shall file with the inter-
20 mediate superintendent a certified and sworn copy of the number
21 of pupils enrolled and in regular daily attendance in the dis-
22 trict as of the pupil membership count day and as of the supple-
23 mental count day, as applicable, for the current school year. In
24 addition, a district maintaining school during the entire year,
25 as provided under section 1561 of the revised school code, MCL
26 380.1561, shall file with the intermediate superintendent a
27 certified and sworn copy of the number of pupils enrolled and in

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1 regular daily attendance in the district for the current school
2 year pursuant to rules promulgated by the state board. Not later
3 than the seventh Wednesday after the pupil membership count day
4 and not later than the seventh Wednesday after the supplemental
5 count day, the intermediate district shall transmit to the
6 department the data filed by each of its constituent districts.
7 If a district fails to file the sworn and certified copy with the
8 intermediate superintendent in a timely manner, as required under
9 this subsection, the intermediate district shall notify the
10 department and state aid due to be distributed under this act
11 shall be withheld from the defaulting district immediately,
12 beginning with the next payment after the failure and continuing
13 with each payment until the district complies with this
14 subsection. If an intermediate district fails to transmit the
15 data in its possession in a timely and accurate manner to the
16 department, as required under this subsection, state aid due to
17 be distributed under this act shall be withheld from the default-
18 ing intermediate district immediately, beginning with the next
19 payment after the failure and continuing with each payment until
20 the intermediate district complies with this subsection. If a
21 district or intermediate district does not comply with this sub-
22 section by the end of the fiscal year, the district or intermedi-
23 ate district forfeits the amount withheld. A person who will-
24 fully falsifies a figure or statement in the certified and sworn
25 copy of enrollment shall be punished in the manner prescribed by
26 section 161.

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1 (2) To be eligible to receive state aid under this act, not
2 later than the twenty-fourth Wednesday after the pupil membership
3 count day and not later than the twenty-fourth Wednesday after
4 the supplemental count day, an intermediate district shall submit
5 to the department, in a form and manner prescribed by the depart-
6 ment, the audited enrollment and attendance data for the pupils
7 of its constituent districts and of the intermediate district.
8 If an intermediate district fails to transmit the audited data as
9 required under this subsection, state aid due to be distributed
10 under this act shall be withheld from the defaulting intermediate
11 district immediately, beginning with the next payment after the
12 failure and continuing with each payment until the intermediate
13 district complies with this subsection. If an intermediate dis-
14 trict does not comply with this subsection by the end of the
15 fiscal year, the intermediate district forfeits the amount
16 withheld.

17 (3) Each district shall provide the required minimum number
18 of days and hours of pupil instruction under section 1284 of the
19 revised school code, MCL 380.1284. Except as otherwise provided
20 in this act, a district failing to hold the required minimum
21 number of days of pupil instruction shall forfeit from its total
22 state aid allocation for each day of failure an amount determined
23 by applying a ratio of the number of days the district was in
24 noncompliance in relation to the required minimum number of
25 days. Except as otherwise provided in this act, a district fail-
26 ing to comply with the required minimum hours of pupil
27 instruction shall forfeit from its total state aid allocation an

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1 amount determined by applying a ratio of the time duration the
2 district was in noncompliance in relation to the required minimum
3 number of hours. A district failing to meet both the minimum
4 number of days of pupil instruction requirement and the minimum
5 number of hours of pupil instruction requirement shall be pena-
6 lized only the higher of the 2 amounts calculated under the for-
7 feiture provisions of this subsection. Not later than August 1,
8 the board of each district shall certify to the department the
9 number of days and hours of pupil instruction in the previous
10 school year. If the district did not hold at least 180 days and
11 the required minimum number of hours of pupil instruction, the
12 deduction of state aid shall be made in the following fiscal year
13 from the first payment of state school aid. A district is not
14 subject to forfeiture of funds under this subsection for a fiscal
15 year in which a forfeiture was already imposed under subsection
16 (7). Days lost because of strikes or teachers' conferences shall
17 not be counted as days of pupil instruction. A district not
18 having at least 75% of the district's membership in attendance on
19 any day of pupil instruction shall receive state aid in that pro-
20 portion of 1 divided by the required minimum number of days of
21 pupil instruction that the actual percent of attendance bears to
22 the specified percentage. The state board shall promulgate rules
23 for the implementation of this subsection.

24 (4) The first 2 days for which pupil instruction is not pro-
25 vided because of conditions not within the control of school
26 authorities, such as severe storms, fires, epidemics, or health
27 conditions as defined by the city, county, or state health

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1 authorities, shall be counted as days of pupil instruction. IN
2 ADDITION, FOR 1997-98 ONLY, THE DEPARTMENT MAY COUNT AS DAYS OF
3 PUPIL INSTRUCTION UP TO 6 ADDITIONAL DAYS FOR WHICH PUPIL
4 INSTRUCTION IS NOT PROVIDED IN A DISTRICT AFTER MAY 28, 1998
5 BECAUSE DAMAGE OR ELECTRICAL OUTAGES RESULTING FROM SEVERE STORMS
6 PREVENTED THE DISTRICT FROM PROVIDING INSTRUCTION. Subsequent
7 such days shall not be counted as days of pupil instruction.

8 (5) A district shall not forfeit part of its state aid
9 appropriation because it adopts or has in existence an alterna-
10 tive scheduling program for pupils in kindergarten if the program
11 provides at least the number of hours required for a full-time
12 equated membership for a pupil in kindergarten as provided under
13 section 6(4).

14 (6) Upon application by the district for a particular fiscal
15 year, the state board may waive the minimum number of days of
16 pupil instruction requirement of subsection (3) for a district if
17 the district has adopted an experimental school year schedule in
18 1 or more buildings in the district if the experimental school
19 year schedule provides the required minimum number or more hours
20 of pupil instruction and is consistent with all state board poli-
21 cies on school improvement and restructuring. If a district
22 applies for and receives a waiver under this subsection and com-
23 plies with the terms of the waiver, for the fiscal year covered
24 by the waiver the district is not subject to forfeiture under
25 this section of part of its state aid allocation for the specific
26 building or program covered by the waiver.

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1 (7) Not later than April 15 of each fiscal year, the board
2 of each district shall certify to the department the planned
3 number of days and hours of pupil instruction in the district for
4 the school year ending in the fiscal year. In addition to any
5 other penalty or forfeiture under this section, if at any time
6 the department determines that 1 or more of the following has
7 occurred in a district, the district shall forfeit in the current
8 fiscal year beginning in the next payment to be calculated by the
9 department a proportion of the funds due to the district under
10 this act that is equal to the proportion below the required mini-
11 mum number of days and hours of pupil instruction, as specified
12 in the following:

13 (a) The district fails to operate its schools for at least
14 the required minimum number of days and hours of pupil instruc-
15 tion in a school year, including days counted under subsection
16 (4).

17 (b) The board of the district takes formal action not to
18 operate its schools for at least the required minimum number of
19 days and hours of pupil instruction in a school year, including
20 days counted under subsection (4).

21 (8) In providing the minimum number of hours of pupil
22 instruction required under section 1284 of the revised school
23 code, MCL 380.1284, a district shall use the following guide-
24 lines, and a district shall maintain records to substantiate its
25 compliance with the following guidelines:

26 (a) Except as otherwise provided in this subsection, a pupil
27 must be scheduled for at least the required minimum number of

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1 hours of instruction, excluding study halls, or at least the sum
2 of 90 hours plus the required minimum number of hours of instruc-
3 tion, including up to 2 study halls.

4 (b) The time a pupil is assigned to any tutorial activity in
5 a block schedule may be considered instructional time, unless
6 that time is determined in an audit to be a study hall period.

7 (c) A pupil in grades 9 to 12 for whom a reduced schedule is
8 determined to be in the individual pupil's best educational
9 interest must be scheduled for a number of hours equal to at
10 least 80% of the required minimum number of hours of pupil
11 instruction to be considered a full-time equivalent pupil.

12 (d) If a pupil in grades 9 to 12 who is enrolled in a coop-
13 erative education program or a special education pupil cannot
14 receive the required minimum number of hours of pupil instruction
15 solely because of travel time between instructional sites during
16 the school day, that travel time, up to a maximum of 2-1/2 hours
17 per school week, shall be considered to be pupil instruction time
18 for the purpose of determining whether the pupil is receiving the
19 required minimum number of hours of pupil instruction. However,
20 if a district demonstrates to the satisfaction of the department
21 that the travel time limitation under this subdivision would
22 create undue costs or hardship to the district, the department
23 may consider more travel time to be pupil instruction time for
24 this purpose.

25 (e) For the 1997-98 school year only, if a district operates
26 an elementary school that is located on an island and provides
27 some pupil instruction for pupils enrolled in that elementary

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1 school at 1 or more school buildings operated by the district
2 that are not located on the island, the travel time for travel
3 for those pupils between the elementary school located on the
4 island and the other school building or buildings, up to a maxi-
5 mum of 1-1/2 hours per school week, shall be considered to be
6 pupil instruction time for those pupils for the purpose of deter-
7 mining whether those pupils are receiving the required minimum
8 number of hours of pupil instruction.

9 (9) The department shall apply the guidelines under subsec-
10 tion (8) in calculating the full-time equivalency of pupils.

11 (10) Upon application by the district for a particular
12 fiscal year, the state board may waive for a district the minimum
13 number of days and hours of pupil instruction requirement of sub-
14 section (3) for a department-approved alternative education
15 program. If a district applies for and receives a waiver under
16 this subsection and complies with the terms of the waiver, for
17 the fiscal year covered by the waiver the district is not subject
18 to forfeiture under this section for the specific program covered
19 by the waiver.

20 Sec. 166b. This act does not prohibit a parent or legal
21 guardian of a minor who is enrolled in a nonpublic school or who
22 is being home-schooled from also enrolling the minor in a dis-
23 trict or intermediate district in any curricular offering avail-
24 able to pupils in the minor's grade level or age group, subject
25 to compliance with the same requirements that apply to a
26 full-time pupil's participation in the offering. A minor
27 enrolled as described in this section is a part-time pupil for

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1 purposes of state school aid under this act. However, state
2 school aid shall be provided under this act for a minor enrolled
3 as described in this section only for curricular offerings that
4 are offered to full-time pupils in the minor's grade level or age
5 group during regularly scheduled school hours AND ONLY IF THE
6 MINOR IS A RESIDENT OF THE DISTRICT OR INTERMEDIATE DISTRICT PRO-
7 VIDING THE INSTRUCTION OR THE MINOR'S DISTRICT OF RESIDENCE GIVES
8 ITS APPROVAL FOR THE MINOR TO BE COUNTED AS A PART-TIME PUPIL IN
9 THE DISTRICT OR INTERMEDIATE DISTRICT PROVIDING THE INSTRUCTION.