

School aid; foundation allowance; minimum amount of per pupil foundation payment for public school academies for 2002-2003; provide for.

SCHOOL AID: Foundation allowance; EDUCATION: Public school academies

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending section 22a (MCL 388.1622a), as amended by 2001  
PA 121.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 22a. (1) From the appropriation in section 11, there  
2 is allocated ~~an amount not to exceed \$7,151,000,000.00 for~~  
3 ~~2000-2001,~~ an amount not to exceed \$7,042,100,000.00 for  
4 2001-2002 ~~,~~ and an amount not to exceed ~~\$6,956,000,000.00~~  
5 \$7,356,000,000.00 for 2002-2003 for payments to districts, quali-  
6 fying university schools, and qualifying public school academies  
7 to guarantee each district, qualifying university school, and  
8 qualifying public school academy an amount equal to ~~its~~ THE  
9 APPLICABLE 1994-95 total state and local per pupil revenue for  
10 school operating purposes under section 11 of article IX of the

1 state constitution of 1963. Pursuant to section 11 of article IX  
2 of the state constitution of 1963, this guarantee does not apply  
3 to a district in a year in which the district levies a millage  
4 rate for school district operating purposes less than it levied  
5 in 1994. However, subsection (2) applies to calculating the pay-  
6 ments under this section. Funds allocated under this section  
7 that are not expended in the state fiscal year for which they  
8 were allocated, as determined by the department, may be used to  
9 supplement the allocations under sections 22b and 51c in order to  
10 fully fund those calculated allocations for the same fiscal  
11 year.

12 (2) To ensure that a district receives an amount equal to  
13 the district's 1994-95 total state and local per pupil revenue  
14 for school operating purposes, there is allocated to each dis-  
15 trict a state portion of the district's 1994-95 foundation allow-  
16 ance in an amount calculated as follows:

17 (a) Except as otherwise provided in this subsection, the  
18 state portion of a district's 1994-95 foundation allowance is an  
19 amount equal to the district's 1994-95 foundation allowance or  
20 \$6,500.00, whichever is less, minus the difference between the  
21 product of the taxable value per membership pupil of all property  
22 in the district that is not a homestead or qualified agricultural  
23 property times the lesser of 18 mills or the number of mills of  
24 school operating taxes levied by the district in 1993-94 and the  
25 quotient of the ad valorem property tax revenue of the district  
26 captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax  
27 increment finance authority act, 1980 PA 450, MCL 125.1801 to

1 125.1830, the local development financing act, 1986 PA 281,  
2 MCL 125.2151 to 125.2174, or the brownfield redevelopment financ-  
3 ing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the  
4 district's membership. For a district that has a millage reduc-  
5 tion required under section 31 of article IX of the state consti-  
6 tution of 1963, the state portion of the district's foundation  
7 allowance shall be calculated as if that reduction did not  
8 occur.

9 (b) For a district that had a 1994-95 foundation allowance  
10 greater than \$6,500.00, the state payment under this subsection  
11 shall be the sum of the amount calculated under subdivision (a)  
12 plus the amount calculated under this subdivision. The amount  
13 calculated under this subdivision shall be equal to the differ-  
14 ence between the district's 1994-95 foundation allowance minus  
15 \$6,500.00 and the current year hold harmless school operating  
16 taxes per pupil. If the result of the calculation under  
17 subdivision (a) is negative, the negative amount shall be an  
18 offset against any state payment calculated under this  
19 subdivision. If the result of a calculation under this subdivi-  
20 sion is negative, there shall not be a state payment or a deduc-  
21 tion under this subdivision. The taxable values per membership  
22 pupil used in the calculations under this subdivision are as  
23 adjusted by ad valorem property tax revenue captured under 1975  
24 PA 197, MCL 125.1651 to 125.1681, the tax increment finance  
25 authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local  
26 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174,

1 or the brownfield redevelopment financing act, 1996 PA 381,  
2 MCL 125.2651 to 125.2672, divided by the district's membership.

3 (3) For pupils in membership in a qualifying public school  
4 academy or qualifying university school, ~~there~~ THE FOLLOWING is  
5 allocated under this section ~~each fiscal year for 2000-2001, for~~  
6 ~~2001-2002, and for 2002-2003~~ to the authorizing body that is the  
7 fiscal agent for the qualifying public school academy for for-  
8 warding to the qualifying public school academy, or to the board  
9 of the public university operating the qualifying university  
10 school: —

11 (A) FOR 2001-2002, an amount equal to the 1994-95 per pupil  
12 payment to the qualifying public school academy or qualifying  
13 university school under section 20.

14 (B) FOR 2002-2003, AN AMOUNT EQUAL TO THE 1994-95 TOTAL  
15 STATE AND LOCAL PER PUPIL REVENUE FOR SCHOOL OPERATING PURPOSES  
16 FOR THE DISTRICT IN WHICH THE QUALIFYING PUBLIC SCHOOL ACADEMY OR  
17 QUALIFYING UNIVERSITY SCHOOL IS LOCATED OR \$5,500.00, WHICHEVER  
18 IS LESS.

19 (4) A district, qualifying university school, or qualifying  
20 public school academy may use funds allocated under this section  
21 in conjunction with any federal funds for which the district,  
22 qualifying university school, or qualifying public school academy  
23 otherwise would be eligible.

24 (5) For a district that is formed or reconfigured after  
25 June 1, 2000 by consolidation of 2 or more districts or by annex-  
26 ation, the resulting district's 1994-95 foundation allowance  
27 under this section beginning after the effective date of the

1 consolidation or annexation shall be the average of the 1994-95  
2 foundation allowances of each of the original or affected dis-  
3 tricts, calculated as provided in this section, weighted as to  
4 the percentage of pupils in total membership in the resulting  
5 district in the state fiscal year in which the consolidation  
6 takes place who reside in the geographic area of each of the  
7 original districts. If an affected district's 1994-95 foundation  
8 allowance is less than the 1994-95 basic foundation allowance,  
9 the amount of that district's 1994-95 foundation allowance shall  
10 be considered for the purpose of calculations under this subsec-  
11 tion to be equal to the amount of the 1994-95 basic foundation  
12 allowance.

13 (6) As used in this section:

14 (a) "1994-95 foundation allowance" means a district's  
15 1994-95 foundation allowance calculated and certified by the  
16 department of treasury or the superintendent under former  
17 section 20a as enacted in 1993 PA 336 and as amended by 1994  
18 PA 283.

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

21 (c) "Current year hold harmless school operating taxes per  
22 pupil" means the per pupil revenue generated by multiplying a  
23 district's 1994-95 hold harmless millage by the district's cur-  
24 rent year taxable value per membership pupil.

25 (d) "Hold harmless millage" means, for a district with a  
26 1994-95 foundation allowance greater than \$6,500.00, the number  
27 of mills by which the exemption from the levy of school operating

1 taxes on a homestead and qualified agricultural property could be  
2 reduced as provided in section 1211(1) of the revised school  
3 code, MCL 380.1211, and the number of mills of school operating  
4 taxes that could be levied on all property as provided in section  
5 1211(2) of the revised school code, MCL 380.1211, as certified by  
6 the department of treasury for the 1994 tax year.

7 (e) "Homestead" means that term as defined in section 1211  
8 of the revised school code, MCL 380.1211.

9 (f) "Membership" means the definition of that term under  
10 section 6 as in effect for the particular fiscal year for which a  
11 particular calculation is made.

12 (g) "Qualified agricultural property" means that term as  
13 defined in section 1211 of the revised school code,  
14 MCL 380.1211.

15 (h) "Qualifying public school academy" means FOR 2001-2002  
16 ONLY a public school academy that was in operation in the 1994-95  
17 school year and is in operation in the current state fiscal  
18 year. FOR 2002-2003 AND SUCCEEDING FISCAL YEARS, "QUALIFYING  
19 PUBLIC SCHOOL ACADEMY" MEANS ANY PUBLIC SCHOOL ACADEMY IN OPERA-  
20 TION FOR THE CURRENT STATE FISCAL YEAR.

21 (i) "Qualifying university school" means FOR 2001-2002 ONLY  
22 a university school that was in operation in the 1994-95 school  
23 year and is in operation in the current fiscal year. FOR  
24 2002-2003 AND SUCCEEDING FISCAL YEARS, "QUALIFYING UNIVERSITY  
25 SCHOOL" MEANS ANY UNIVERSITY SCHOOL IN OPERATION FOR THE CURRENT  
26 STATE FISCAL YEAR.

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

4       (k) "Taxable value per membership pupil" means each of the  
5 following divided by the district's membership:

6       (i) For the number of mills by which the exemption from the  
7 levy of school operating taxes on a homestead and qualified agri-  
8 cultural property may be reduced as provided in section 1211(1)  
9 of the revised school code, MCL 380.1211, the taxable value of  
10 homestead and qualified agricultural property for the calendar  
11 year ending in the current state fiscal year.

12       (ii) For the number of mills of school operating taxes that  
13 may be levied on all property as provided in section 1211(2) of  
14 the revised school code, MCL 380.1211, the taxable value of all  
15 property for the calendar year ending in the current state fiscal  
16 year.