

**SUBSTITUTE FOR  
SENATE BILL NO. 221**

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 11, 11g, 11j, 22a, 22b, 26b, 31a, 51a, 51c, 65, 81, and 147 (MCL 388.1603, 388.1611, 388.1611g, 388.1611j, 388.1622a, 388.1622b, 388.1626b, 388.1631a, 388.1651a, 388.1651c, 388.1665, 388.1681, and 388.1747), sections 3, 11, 11g, 11j, 22a, 22b, 26b, 31a, 51a, 51c, 81, and 147 as amended and section 65 as added by 2006 PA 342; and to repeal acts and parts of acts.

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

1           Sec. 3. (1) "Average daily attendance", for the purposes of  
2           complying with federal law and except as used in section 6(4)(bb),  
3           means 92% of the membership as defined in section 6(4).

4           (2) "Board" means the governing body of a district or public

1 school academy.

2 (3) "Center" means the center for educational performance and  
3 information created in section 94a.

4 (4) "Cooperative education program" means a written voluntary  
5 agreement between and among districts to provide certain  
6 educational programs for pupils in certain groups of districts. The  
7 written agreement shall be approved by all affected districts at  
8 least annually and shall specify the educational programs to be  
9 provided and the estimated number of pupils from each district who  
10 will participate in the educational programs.

11 (5) "Department", except in section 107, means the department  
12 of education.

13 (6) "District" means a local school district established under  
14 the revised school code, a local act school district, or, except in  
15 sections 6(4), 6(6), 13, 20, 22a, 23, **29**, 31a, 105, and 105c, a  
16 public school academy. Except in sections 6(4), 6(6), 13, 20, 22a,  
17 **29**, 105, and 105c, district also includes a university school.

18 (7) "District of residence", except as otherwise provided in  
19 this subsection, means the district in which a pupil's custodial  
20 parent or parents or legal guardian resides. For a pupil described  
21 in section 24b, the pupil's district of residence is the district  
22 in which the pupil enrolls under that section. For a pupil  
23 described in section 6(4)(d), the pupil's district of residence  
24 shall be considered to be the district or intermediate district in  
25 which the pupil is counted in membership under that section. For a  
26 pupil under court jurisdiction who is placed outside the district  
27 in which the pupil's custodial parent or parents or legal guardian

1 resides, the pupil's district of residence shall be considered to  
2 be the educating district or educating intermediate district.

3 (8) "District superintendent" means the superintendent of a  
4 district, the chief administrator of a public school academy, or  
5 the chief administrator of a university school.

6 Sec. 11. (1) ~~For the fiscal year ending September 30, 2006,~~  
7 ~~there is appropriated for the public schools of this state and~~  
8 ~~certain other state purposes relating to education the sum of~~  
9 ~~\$11,200,813,200.00 from the state school aid fund established by~~  
10 ~~section 11 of article IX of the state constitution of 1963, the sum~~  
11 ~~of \$44,500,000.00 from the proceeds of capitalization of the school~~  
12 ~~bond loan fund revolving fund, and the sum of \$62,714,000.00 from~~  
13 ~~the general fund. For the fiscal year ending September 30, 2007,~~  
14 there is appropriated for the public schools of this state and  
15 certain other state purposes relating to education the sum of  
16 ~~\$11,647,508,200.00~~ **\$11,240,036,300.00** from the state school aid  
17 fund established by section 11 of article IX of the state  
18 constitution of 1963 and the sum of \$35,000,000.00 from the general  
19 fund. In addition, available federal funds are appropriated for  
20 each ~~THE~~ fiscal year.

21 (2) The appropriations under this section shall be allocated  
22 as provided in this act. Money appropriated under this section from  
23 the general fund shall be expended to fund the purposes of this act  
24 before the expenditure of money appropriated under this section  
25 from the state school aid fund. If the maximum amount appropriated  
26 under this section from the state school aid fund for a fiscal year  
27 exceeds the amount necessary to fully fund allocations under this

1 act from the state school aid fund, that excess amount shall not be  
2 expended in that state fiscal year and shall not lapse to the  
3 general fund, but instead shall be deposited into the school aid  
4 stabilization fund created in section 11a.

5 (3) If the maximum amount appropriated under this section from  
6 the state school aid fund and the school aid stabilization fund for  
7 a fiscal year exceeds the amount available for expenditure from the  
8 state school aid fund for that fiscal year, payments under sections  
9 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a,  
10 and 56 shall be made in full. In addition, for districts beginning  
11 operations after 1994-95 that qualify for payments under section  
12 22b, payments under section 22b shall be made so that the  
13 qualifying districts receive the lesser of an amount equal to the  
14 1994-95 foundation allowance of the district in which the district  
15 beginning operations after 1994-95 is located or \$5,500.00. The  
16 amount of the payment to be made under section 22b for these  
17 qualifying districts shall be as calculated under section 22a, with  
18 the balance of the payment under section 22b being subject to the  
19 proration otherwise provided under this subsection and subsection  
20 (4). If proration is necessary, state payments under each of the  
21 other sections of this act from all state funding sources shall be  
22 prorated in the manner prescribed in subsection (4) as necessary to  
23 reflect the amount available for expenditure from the state school  
24 aid fund for the affected fiscal year. However, if the department  
25 of treasury determines that proration will be required under this  
26 subsection, or if the department of treasury determines that  
27 further proration is required under this subsection after an

1 initial proration has already been made for a fiscal year, the  
2 department of treasury shall notify the state budget director, and  
3 the state budget director shall notify the legislature at least 30  
4 calendar days or 6 legislative session days, whichever is more,  
5 before the department reduces any payments under this act because  
6 of the proration. During the 30 calendar day or 6 legislative  
7 session day period after that notification by the state budget  
8 director, the department shall not reduce any payments under this  
9 act because of proration under this subsection. The legislature may  
10 prevent proration from occurring by, within the 30 calendar day or  
11 6 legislative session day period after that notification by the  
12 state budget director, enacting legislation appropriating  
13 additional funds from the general fund, countercyclical budget and  
14 economic stabilization fund, state school aid fund balance, or  
15 another source to fund the amount of the projected shortfall.

16 (4) If proration is necessary, the department shall calculate  
17 the proration in district and intermediate district payments that  
18 is required under subsection (3) as follows:

19 (a) The department shall calculate the percentage of total  
20 state school aid allocated under this act for the affected fiscal  
21 year for each of the following:

22 (i) Districts.

23 (ii) Intermediate districts.

24 (iii) Entities other than districts or intermediate districts.

25 (b) The department shall recover a percentage of the proration  
26 amount required under subsection (3) that is equal to the  
27 percentage calculated under subdivision (a)(i) for districts by

1 reducing payments to districts. This reduction shall be made by  
2 calculating an equal dollar amount per pupil as necessary to  
3 recover this percentage of the proration amount and reducing each  
4 district's total state school aid from state sources, other than  
5 payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f,  
6 51a(2), 51a(12), 51c, and 53a, by that amount.

7 (c) The department shall recover a percentage of the proration  
8 amount required under subsection (3) that is equal to the  
9 percentage calculated under subdivision (a)(ii) for intermediate  
10 districts by reducing payments to intermediate districts. This  
11 reduction shall be made by reducing the payments to each  
12 intermediate district, other than payments under sections 11f, 11g,  
13 26a, 26b, 51a(2), 51a(12), 53a, and 56, on an equal percentage  
14 basis.

15 (d) The department shall recover a percentage of the proration  
16 amount required under subsection (3) that is equal to the  
17 percentage calculated under subdivision (a)(iii) for entities other  
18 than districts and intermediate districts by reducing payments to  
19 these entities. This reduction shall be made by reducing the  
20 payments to each of these entities, other than payments under  
21 sections 11j, 26a, and 26b, on an equal percentage basis.

22 (5) THE MAXIMUM AMOUNT THAT WAS APPROPRIATED UNDER SUBSECTION  
23 (1) FROM THE STATE SCHOOL AID FUND AND THE SCHOOL AID STABILIZATION  
24 FUND FOR 2006-2007 UNDER 2006 PA 342 EXCEEDS THE ESTIMATED AMOUNT  
25 AVAILABLE FOR EXPENDITURE FROM THOSE SOURCES FOR 2006-2007. TO  
26 ELIMINATE THIS ESTIMATED DEFICIT, THE AMENDATORY ACT THAT ADDED  
27 THIS SUBSECTION MAKES CHANGES IN SECTION 147, REPEALS CERTAIN

1 SECTIONS OF THIS ACT, AND MAKES OTHER ADJUSTMENTS TO THIS ACT. THE  
2 DEPARTMENT SHALL CALCULATE THE REMAINING REDUCTIONS IN PAYMENTS TO  
3 DISTRICTS, INTERMEDIATE DISTRICTS, AND ENTITIES OTHER THAN  
4 DISTRICTS OR INTERMEDIATE DISTRICTS THAT ARE REQUIRED TO ELIMINATE  
5 THIS ESTIMATED DEFICIT AS FOLLOWS:

6 (A) THE DEPARTMENT SHALL CALCULATE THE PERCENTAGE OF TOTAL  
7 STATE SCHOOL AID ALLOCATED UNDER THIS ACT FOR 2006-2007 FOR EACH OF  
8 THE FOLLOWING:

9 (i) DISTRICTS.

10 (ii) INTERMEDIATE DISTRICTS.

11 (iii) ENTITIES OTHER THAN DISTRICTS OR INTERMEDIATE DISTRICTS.

12 (B) AFTER DETERMINING THE PERCENTAGES IN SUBSECTION (1), THE  
13 DEPARTMENT SHALL APPLY THOSE PERCENTAGES TO THE ESTIMATED DEFICIT,  
14 AFTER TAKING INTO ACCOUNT THE CHANGES IN SECTION 147, REPEALS OF  
15 SECTIONS, AND OTHER CHANGES MADE IN THE AMENDATORY ACT THAT ADDED  
16 THIS SUBSECTION OTHER THAN THE REDUCTION MADE IN SECTION 22B(2).  
17 THE RESULTING AMOUNTS REPRESENT THE REDUCTIONS IN PAYMENTS TO  
18 DISTRICTS, INTERMEDIATE DISTRICTS, AND ENTITIES OTHER THAN  
19 DISTRICTS OR INTERMEDIATE DISTRICTS NECESSARY TO ELIMINATE THE  
20 ESTIMATED DEFICIT, AFTER TAKING INTO ACCOUNT THE CHANGES IN SECTION  
21 147, REPEALS OF SECTIONS, AND OTHER CHANGES MADE IN THE AMENDATORY  
22 ACT THAT ADDED THIS SUBSECTION OTHER THAN THE REDUCTION MADE IN  
23 SECTION 22B(2).

24 (C) THE DEPARTMENT SHALL CONSIDER THE REDUCTION MADE IN THE  
25 AMENDATORY ACT THAT ADDED THIS SUBSECTION TO PAYMENTS TO DISTRICTS  
26 UNDER SECTION 22B(2) TO BE THE REDUCTION REQUIRED IN PAYMENTS TO  
27 DISTRICTS AS CALCULATED UNDER SUBDIVISION (B) FOR DISTRICTS. THE

1 DEPARTMENT SHALL THEN RECOVER THE REMAINING AMOUNT OF THE ESTIMATED  
2 DEFICIT FROM PAYMENTS TO INTERMEDIATE DISTRICTS AND ENTITIES OTHER  
3 THAN DISTRICTS OR INTERMEDIATE DISTRICTS AS PROVIDED IN  
4 SUBDIVISIONS (D) AND (E).

5 (D) THE DEPARTMENT SHALL RECOVER FROM PAYMENTS TO INTERMEDIATE  
6 DISTRICTS THE AMOUNT CALCULATED UNDER SUBDIVISION (B) FOR  
7 INTERMEDIATE DISTRICTS. THIS REDUCTION SHALL BE MADE BY REDUCING  
8 THE PAYMENTS TO EACH INTERMEDIATE DISTRICT, OTHER THAN PAYMENTS  
9 UNDER SECTIONS 11F, 11G, 26A, 26B, 51A(2), 51A(12), 53A, AND 56, ON  
10 AN EQUAL PERCENTAGE BASIS.

11 (E) THE DEPARTMENT SHALL RECOVER FROM PAYMENTS TO ENTITIES  
12 OTHER THAN DISTRICTS AND INTERMEDIATE DISTRICTS THE AMOUNT  
13 CALCULATED UNDER SUBDIVISION (B) FOR THESE ENTITIES. THIS REDUCTION  
14 SHALL BE MADE BY REDUCING THE PAYMENTS TO EACH OF THESE ENTITIES,  
15 OTHER THAN PAYMENTS UNDER SECTIONS 11J, 26A, AND 26B, ON AN EQUAL  
16 PERCENTAGE BASIS.

17 (6) ~~(5)~~—Except for the allocation under section 26a, any  
18 general fund allocations under this act that are not expended by  
19 the end of the state fiscal year are transferred to the school aid  
20 stabilization fund created under section 11a.

21 (7) IN ADDITION TO THE APPROPRIATIONS IN SUBSECTION (1), FOR  
22 THE FISCAL YEAR ENDING SEPTEMBER 30, 2007, THERE IS APPROPRIATED  
23 FROM THE RESERVE FOR UNDISTRIBUTED INVESTMENT INCOME IN THE  
24 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM AN AMOUNT NOT  
25 TO EXCEED \$262,000,000.00 SOLELY FOR THE PURPOSE OF ISSUING CREDITS  
26 PURSUANT TO SECTION 147.

27 Sec. 11g. (1) From the appropriation in section 11, there is



1 allocated for this section an amount not to exceed ~~\$34,961,000.00~~  
2 **\$0.00 EACH FISCAL YEAR** for the fiscal year ending September 30,  
3 2007 **AND FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2008**. There is  
4 allocated for this section an amount not to exceed ~~\$35,000,000.00~~  
5 **\$38,000,000.00** for each succeeding fiscal year through the fiscal  
6 year ending September 30, ~~2013~~**2015**. Payments under this section  
7 will cease after September 30, ~~2013~~**2015**. These allocations are for  
8 paying the amounts described in subsection (3) to districts and  
9 intermediate districts, other than those receiving a lump-sum  
10 payment under section 11f(2), that were not plaintiffs in the  
11 consolidated cases known as Durant v State of Michigan, Michigan  
12 supreme court docket no. 104458-104492 and that, on or before March  
13 2, 1998, submitted to the state treasurer a waiver resolution  
14 described in section 11f. The amounts paid under this section  
15 represent offers of settlement and compromise of any claim or  
16 claims that were or could have been asserted by these districts and  
17 intermediate districts, as described in this section.

18 (2) This section does not create any obligation or liability  
19 of this state to any district or intermediate district that does  
20 not submit a waiver resolution described in section 11f. This  
21 section, any other provision of this act, and section 353e of the  
22 management and budget act, 1984 PA 431, MCL 18.1353e, are not  
23 intended to admit liability or waive any defense that is or would  
24 be available to this state or its agencies, employees, or agents in  
25 any litigation or future litigation with a district or intermediate  
26 district regarding these claims or potential claims.

27 (3) The amount paid each fiscal year to each district or

1 intermediate district under this section shall be the sum of the  
2 following:

3 (a) 1/30 of the total amount listed in section 11h for the  
4 district or intermediate district.

5 (b) If the district or intermediate district borrows money and  
6 issues bonds under section 11i, an additional amount in each fiscal  
7 year calculated by the department of treasury that, when added to  
8 the amount described in subdivision (a), will cause the net present  
9 value as of November 15, 1998 of the total of the 15 annual  
10 payments made to the district or intermediate district under this  
11 section, discounted at a rate as determined by the state treasurer,  
12 to equal the amount of the bonds issued by that district or  
13 intermediate district under section 11i and that will result in the  
14 total payments made to all districts and intermediate districts in  
15 each fiscal year under this section being no more than the amount  
16 appropriated under this section in each fiscal year.

17 (4) The entire amount of each payment under this section each  
18 fiscal year shall be paid on May 15 of the applicable fiscal year  
19 or on the next business day following that date. If a district or  
20 intermediate district borrows money and issues bonds under section  
21 11i, the district or intermediate district shall use funds received  
22 under this section to pay debt service on bonds issued under  
23 section 11i. If a district or intermediate district does not borrow  
24 money and issue bonds under section 11i, the district or  
25 intermediate district shall use funds received under this section  
26 only for the following purposes, in the following order of  
27 priority:

1 (a) First, to pay debt service on voter-approved bonds issued  
2 by the district or intermediate district before the effective date  
3 of this section.

4 (b) Second, to pay debt service on other limited tax  
5 obligations.

6 (c) Third, for deposit into a sinking fund established by the  
7 district or intermediate district under the revised school code.

8 (5) To the extent payments under this section are used by a  
9 district or intermediate district to pay debt service on debt  
10 payable from millage revenues, and to the extent permitted by law,  
11 the district or intermediate district may make a corresponding  
12 reduction in the number of mills levied for debt service.

13 (6) A district or intermediate district may pledge or assign  
14 payments under this section as security for bonds issued under  
15 section 11i, but shall not otherwise pledge or assign payments  
16 under this section.

17 Sec. 11j. From the appropriation in section 11, there is  
18 allocated an amount not to exceed ~~\$48,000,000.00~~ **\$42,500,000.00** for  
19 2006-2007 for payments to the school loan bond redemption fund in  
20 the department of treasury on behalf of districts and intermediate  
21 districts. Notwithstanding section 11 or any other provision of  
22 this act, funds allocated under this section are not subject to  
23 proration and shall be paid in full.

24 Sec. 22a. (1) From the appropriation in section 11, there is  
25 allocated an amount not to exceed ~~\$6,407,000,000.00~~ for 2005-2006  
26 ~~and an amount not to exceed \$6,207,000,000.00~~ **\$6,204,700,000.00** for  
27 2006-2007 for payments to districts, qualifying university schools,

1 and qualifying public school academies to guarantee each district,  
2 qualifying university school, and qualifying public school academy  
3 an amount equal to its 1994-95 total state and local per pupil  
4 revenue for school operating purposes under section 11 of article  
5 IX of the state constitution of 1963. Pursuant to section 11 of  
6 article IX of the state constitution of 1963, this guarantee does  
7 not apply to a district in a year in which the district levies a  
8 millage rate for school district operating purposes less than it  
9 levied in 1994. However, subsection (2) applies to calculating the  
10 payments under this section. Funds allocated under this section  
11 that are not expended in the state fiscal year for which they were  
12 allocated, as determined by the department, may be used to  
13 supplement the allocations under sections 22b and 51c in order to  
14 fully fund those calculated allocations for the same fiscal year.

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

20 (a) Except as otherwise provided in this subsection, the state  
21 portion of a district's 1994-95 foundation allowance is an amount  
22 equal to the district's 1994-95 foundation allowance or \$6,500.00,  
23 whichever is less, minus the difference between the product of the  
24 taxable value per membership pupil of all property in the district  
25 that is not a homestead or qualified agricultural property times  
26 the lesser of 18 mills or the number of mills of school operating  
27 taxes levied by the district in 1993-94 and the quotient of the ad

1 valorem property tax revenue of the district captured under 1975 PA  
2 197, MCL 125.1651 to 125.1681, the tax increment finance authority  
3 act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development  
4 financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the  
5 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651  
6 to 125.2672, divided by the district's membership. For a district  
7 that has a millage reduction required under section 31 of article  
8 IX of the state constitution of 1963, the state portion of the  
9 district's foundation allowance shall be calculated as if that  
10 reduction did not occur.

11 (b) For a district that had a 1994-95 foundation allowance  
12 greater than \$6,500.00, the state payment under this subsection  
13 shall be the sum of the amount calculated under subdivision (a)  
14 plus the amount calculated under this subdivision. The amount  
15 calculated under this subdivision shall be equal to the difference  
16 between the district's 1994-95 foundation allowance minus \$6,500.00  
17 and the current year hold harmless school operating taxes per  
18 pupil. If the result of the calculation under subdivision (a) is  
19 negative, the negative amount shall be an offset against any state  
20 payment calculated under this subdivision. If the result of a  
21 calculation under this subdivision is negative, there shall not be  
22 a state payment or a deduction under this subdivision. The taxable  
23 values per membership pupil used in the calculations under this  
24 subdivision are as adjusted by ad valorem property tax revenue  
25 captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax  
26 increment finance authority act, 1980 PA 450, MCL 125.1801 to  
27 125.1830, the local development financing act, 1986 PA 281, MCL

1 125.2151 to 125.2174, or the brownfield redevelopment financing  
2 act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the  
3 district's membership.

4 (3) Beginning in 2003-2004, for pupils in membership in a  
5 qualifying public school academy or qualifying university school,  
6 there is allocated under this section to the authorizing body that  
7 is the fiscal agent for the qualifying public school academy for  
8 forwarding to the qualifying public school academy, or to the board  
9 of the public university operating the qualifying university  
10 school, an amount equal to the 1994-95 per pupil payment to the  
11 qualifying public school academy or qualifying university school  
12 under section 20.

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

18 (5) For a district that is formed or reconfigured after June  
19 1, 2000 by consolidation of 2 or more districts or by annexation,  
20 the resulting district's 1994-95 foundation allowance under this  
21 section beginning after the effective date of the consolidation or  
22 annexation shall be the average of the 1994-95 foundation  
23 allowances of each of the original or affected districts,  
24 calculated as provided in this section, weighted as to the  
25 percentage of pupils in total membership in the resulting district  
26 in the state fiscal year in which the consolidation takes place who  
27 reside in the geographic area of each of the original districts. If

1 an affected district's 1994-95 foundation allowance is less than  
2 the 1994-95 basic foundation allowance, the amount of that  
3 district's 1994-95 foundation allowance shall be considered for the  
4 purpose of calculations under this subsection to be equal to the  
5 amount of the 1994-95 basic foundation allowance.

6 (6) As used in this section:

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

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

13 (c) "Current year hold harmless school operating taxes per  
14 pupil" means the per pupil revenue generated by multiplying a  
15 district's 1994-95 hold harmless millage by the district's current  
16 year taxable value per membership pupil.

17 (d) "Hold harmless millage" means, for a district with a 1994-  
18 95 foundation allowance greater than \$6,500.00, the number of mills  
19 by which the exemption from the levy of school operating taxes on a  
20 homestead and qualified agricultural property could be reduced as  
21 provided in section 1211(1) of the revised school code, MCL  
22 380.1211, and the number of mills of school operating taxes that  
23 could be levied on all property as provided in section 1211(2) of  
24 the revised school code, MCL 380.1211, as certified by the  
25 department of treasury for the 1994 tax year.

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

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

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

6 (h) "Qualifying public school academy" means a public school  
7 academy that was in operation in the 1994-95 school year and is in  
8 operation in the current state fiscal year.

9 (i) "Qualifying university school" means a university school  
10 that was in operation in the 1994-95 school year and is in  
11 operation in the current fiscal year.

12 (j) "School operating taxes" means local ad valorem property  
13 taxes levied under section 1211 of the revised school code, MCL  
14 380.1211, and retained for school operating purposes.

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

17 (i) For the number of mills by which the exemption from the  
18 levy of school operating taxes on a homestead and qualified  
19 agricultural property may be reduced as provided in section 1211(1)  
20 of the revised school code, MCL 380.1211, the taxable value of  
21 homestead and qualified agricultural property for the calendar year  
22 ending in the current state fiscal year.

23 (ii) For the number of mills of school operating taxes that may  
24 be levied on all property as provided in section 1211(2) of the  
25 revised school code, MCL 380.1211, the taxable value of all  
26 property for the calendar year ending in the current state fiscal  
27 year.



1           Sec. 22b. (1) From the appropriation in section 11, there is  
2 allocated an amount not to exceed ~~\$3,217,000,000.00 for 2005-2006~~  
3 ~~and an amount not to exceed \$3,584,950,000.00~~ **\$3,508,700,000.00** for  
4 2006-2007 for discretionary nonmandated payments to districts under  
5 this section. Funds allocated under this section that are not  
6 expended in the state fiscal year for which they were allocated, as  
7 determined by the department, may be used to supplement the  
8 allocations under sections 22a and 51c in order to fully fund those  
9 calculated allocations for the same fiscal year.

10           (2) Subject to subsection (3) and section 11, the allocation  
11 to a district under this section shall be an amount equal to the  
12 sum of the amounts calculated under sections 20, 20j, 51a(2),  
13 51a(3), and 51a(12), minus the sum of the allocations to the  
14 district under sections 22a and 51c **AND, FOR 2006-2007 ONLY, MINUS**  
15 **AN ADDITIONAL AMOUNT EQUAL TO \$34.00 TIMES THE DISTRICT'S 2006-2007**  
16 **MEMBERSHIP.**

17           (3) In order to receive an allocation under this section, each  
18 district shall do all of the following:

19           (a) Administer in each grade level that it operates in grades  
20 1 to 5 a standardized assessment approved by the department of  
21 grade-appropriate basic educational skills. A district may use the  
22 Michigan literacy progress profile to satisfy this requirement for  
23 grades 1 to 3. Also, if the revised school code is amended to  
24 require annual assessments at additional grade levels, in order to  
25 receive an allocation under this section each district shall comply  
26 with that requirement.

27           (b) Comply with sections 1278a and 1278b of the revised school

1 code, MCL 380.1278a and 380.1278b.

2 (c) Furnish data and other information required by state and  
3 federal law to the center and the department in the form and manner  
4 specified by the center or the department, as applicable.

5 (d) Comply with section 1230g of the revised school code, MCL  
6 380.1230g.

7 (4) From the allocation in subsection (1), the department  
8 shall pay up to \$1,000,000.00 in litigation costs incurred by this  
9 state associated with lawsuits filed by 1 or more districts or  
10 intermediate districts against this state. If the allocation under  
11 this section is insufficient to fully fund all payments required  
12 under this section, the payments under this subsection shall be  
13 made in full before any proration of remaining payments under this  
14 section.

15 (5) It is the intent of the legislature that all  
16 constitutional obligations of this state have been fully funded  
17 under sections 22a, 31d, 51a, and 51c. If a claim is made by an  
18 entity receiving funds under this act that challenges the  
19 legislative determination of the adequacy of this funding or  
20 alleges that there exists an unfunded constitutional requirement,  
21 the state budget director may escrow or allocate from the  
22 discretionary funds for nonmandated payments under this section the  
23 amount as may be necessary to satisfy the claim before making any  
24 payments to districts under subsection (2). If funds are escrowed,  
25 the escrowed funds are a work project appropriation and the funds  
26 are carried forward into the following fiscal year. The purpose of  
27 the work project is to provide for any payments that may be awarded

1 to districts as a result of litigation. The work project shall be  
2 completed upon resolution of the litigation.

3 (6) If the local claims review board or a court of competent  
4 jurisdiction makes a final determination that this state is in  
5 violation of section 29 of article IX of the state constitution of  
6 1963 regarding state payments to districts, the state budget  
7 director shall use work project funds under subsection (5) or  
8 allocate from the discretionary funds for nonmandated payments  
9 under this section the amount as may be necessary to satisfy the  
10 amount owed to districts before making any payments to districts  
11 under subsection (2).

12 (7) If a claim is made in court that challenges the  
13 legislative determination of the adequacy of funding for this  
14 state's constitutional obligations or alleges that there exists an  
15 unfunded constitutional requirement, any interested party may seek  
16 an expedited review of the claim by the local claims review board.  
17 If the claim exceeds \$10,000,000.00, this state may remove the  
18 action to the court of appeals, and the court of appeals shall have  
19 and shall exercise jurisdiction over the claim.

20 (8) If payments resulting from a final determination by the  
21 local claims review board or a court of competent jurisdiction that  
22 there has been a violation of section 29 of article IX of the state  
23 constitution of 1963 exceed the amount allocated for discretionary  
24 nonmandated payments under this section, the legislature shall  
25 provide for adequate funding for this state's constitutional  
26 obligations at its next legislative session.

27 (9) If a lawsuit challenging payments made to districts

1 related to costs reimbursed by federal title XIX medicaid funds is  
2 filed against this state, then, for the purpose of addressing  
3 potential liability under such a lawsuit, the state budget director  
4 may place funds allocated under this section in escrow or allocate  
5 money from the funds otherwise allocated under this section, up to  
6 a maximum of 50% of the amount allocated in subsection (1). If  
7 funds are placed in escrow under this subsection, those funds are a  
8 work project appropriation and the funds are carried forward into  
9 the following fiscal year. The purpose of the work project is to  
10 provide for any payments that may be awarded to districts as a  
11 result of the litigation. The work project shall be completed upon  
12 resolution of the litigation. In addition, this state reserves the  
13 right to terminate future federal title XIX medicaid reimbursement  
14 payments to districts if the amount or allocation of reimbursed  
15 funds is challenged in the lawsuit. As used in this subsection,  
16 "title XIX" means title XIX of the social security act, 42 USC 1396  
17 to 1396v.

18       Sec. 26b. (1) From the ~~general fund appropriation~~ **MONEY**  
19 **APPROPRIATED** in section 11, there is allocated for 2006-2007 an  
20 amount not to exceed ~~\$2,400,000.00~~ **\$3,400,000.00** for payments to  
21 districts, intermediate districts, and community college districts  
22 for the portion of the payment in lieu of taxes obligation that is  
23 attributable to districts, intermediate districts, and community  
24 college districts pursuant to section 2154 of the natural resources  
25 and environmental protection act, 1994 PA 451, MCL 324.2154.

26       (2) If the amount appropriated under this section is not  
27 sufficient to fully pay obligations under this section, payments

1 shall be prorated on an equal basis among all eligible districts,  
2 intermediate districts, and community college districts.

3       Sec. 31a. (1) From the state school aid fund money  
4 appropriated in section 11, there is allocated for 2006-2007 an  
5 amount not to exceed ~~\$319,450,000.00~~ **\$319,350,000.00** for payments  
6 to eligible districts and eligible public school academies under  
7 this section. Subject to subsection ~~(15)~~ **(14)**, the amount of the  
8 additional allowance under this section, other than funding under  
9 subsection (6), ~~OR~~ (7), ~~or~~ ~~(8)~~, shall be based on the number of  
10 actual pupils in membership in the district or public school  
11 academy who met the income eligibility criteria for free breakfast,  
12 lunch, or milk in the immediately preceding state fiscal year, as  
13 determined under the Richard B. Russell national school lunch act,  
14 42 USC 1751 to 1769i, and reported to the department by October 31  
15 of the immediately preceding fiscal year and adjusted not later  
16 than December 31 of the immediately preceding fiscal year. However,  
17 for a public school academy that began operations as a public  
18 school academy after the pupil membership count day of the  
19 immediately preceding school year, the basis for the additional  
20 allowance under this section shall be the number of actual pupils  
21 in membership in the public school academy who met the income  
22 eligibility criteria for free breakfast, lunch, or milk in the  
23 current state fiscal year, as determined under the Richard B.  
24 Russell national school lunch act.

25       (2) To be eligible to receive funding under this section,  
26 other than funding under subsection (6) ~~,~~ ~~OR~~ (7), ~~or~~ ~~(8)~~, a  
27 district or public school academy that has not been previously

1 determined to be eligible shall apply to the department, in a form  
2 and manner prescribed by the department, and a district or public  
3 school academy must meet all of the following:

4 (a) The sum of the district's or public school academy's  
5 combined state and local revenue per membership pupil in the  
6 current state fiscal year, as calculated under section 20, plus the  
7 amount of the district's per pupil allocation under section 20j(2),  
8 is less than or equal to \$6,500.00 adjusted by the dollar amount of  
9 the difference between the basic foundation allowance under section  
10 20 for the current state fiscal year and \$5,000.00, minus \$200.00.

11 (b) The district or public school academy agrees to use the  
12 funding only for purposes allowed under this section and to comply  
13 with the program and accountability requirements under this  
14 section.

15 (3) Except as otherwise provided in this subsection, an  
16 eligible district or eligible public school academy shall receive  
17 under this section for each membership pupil in the district or  
18 public school academy who met the income eligibility criteria for  
19 free breakfast, lunch, or milk, as determined under the Richard B.  
20 Russell national school lunch act and as reported to the department  
21 by October 31 of the immediately preceding fiscal year and adjusted  
22 not later than December 31 of the immediately preceding fiscal  
23 year, an amount per pupil equal to 11.5% of the sum of the  
24 district's foundation allowance or public school academy's per  
25 pupil amount calculated under section 20, plus the amount of the  
26 district's per pupil allocation under section 20j(2), not to exceed  
27 \$6,500.00 adjusted by the dollar amount of the difference between

1 the basic foundation allowance under section 20 for the current  
2 state fiscal year and \$5,000.00, minus \$200.00, or of the public  
3 school academy's per membership pupil amount calculated under  
4 section 20 for the current state fiscal year. A public school  
5 academy that began operations as a public school academy after the  
6 pupil membership count day of the immediately preceding school year  
7 shall receive under this section for each membership pupil in the  
8 public school academy who met the income eligibility criteria for  
9 free breakfast, lunch, or milk, as determined under the Richard B.  
10 Russell national school lunch act and as reported to the department  
11 by October 31 of the current fiscal year and adjusted not later  
12 than December 31 of the current fiscal year, an amount per pupil  
13 equal to 11.5% of the public school academy's per membership pupil  
14 amount calculated under section 20 for the current state fiscal  
15 year.

16 (4) Except as otherwise provided in this section, a district  
17 or public school academy receiving funding under this section shall  
18 use that money only to provide instructional programs and direct  
19 noninstructional services, including, but not limited to, medical  
20 or counseling services, for at-risk pupils; for school health  
21 clinics; and for the purposes of subsection (5), (6), **OR** (7). ~~or~~  
22 ~~(8).~~—In addition, a district that is organized as a school district  
23 of the first class under the revised school code or a district or  
24 public school academy in which at least 50% of the pupils in  
25 membership met the income eligibility criteria for free breakfast,  
26 lunch, or milk in the immediately preceding state fiscal year, as  
27 determined and reported as described in subsection (1), may use not

1 more than 15% of the funds it receives under this section for  
2 school security. A district or public school academy shall not use  
3 any of that money for administrative costs or to supplant another  
4 program or other funds, except for funds allocated to the district  
5 or public school academy under this section in the immediately  
6 preceding year and already being used by the district or public  
7 school academy for at-risk pupils. The instruction or direct  
8 noninstructional services provided under this section may be  
9 conducted before or after regular school hours or by adding extra  
10 school days to the school year and may include, but are not limited  
11 to, tutorial services, early childhood programs to serve children  
12 age 0 to 5, and reading programs as described in former section 32f  
13 as in effect for 2001-2002. A tutorial method may be conducted with  
14 paraprofessionals working under the supervision of a certificated  
15 teacher. The ratio of pupils to paraprofessionals shall be between  
16 10:1 and 15:1. Only 1 certificated teacher is required to supervise  
17 instruction using a tutorial method. As used in this subsection,  
18 "to supplant another program" means to take the place of a  
19 previously existing instructional program or direct  
20 noninstructional services funded from a funding source other than  
21 funding under this section.

22 (5) Except as otherwise provided in subsection ~~(13)~~-(12), a  
23 district or public school academy that receives funds under this  
24 section and that operates a school breakfast program under section  
25 1272a of the revised school code, MCL 380.1272a, shall use from the  
26 funds received under this section an amount, not to exceed \$10.00  
27 per pupil for whom the district or public school academy receives



1 funds under this section, necessary to operate the school breakfast  
2 program.

3 (6) From the funds allocated under subsection (1), there is  
4 allocated for 2006-2007 an amount not to exceed \$3,743,000.00 to  
5 support child and adolescent health centers. These grants shall be  
6 awarded for 5 consecutive years beginning with 2003-2004 in a form  
7 and manner approved jointly by the department and the department of  
8 community health. Each grant recipient shall remain in compliance  
9 with the terms of the grant award or shall forfeit the grant award  
10 for the duration of the 5-year period after the noncompliance.  
11 Beginning in 2004-2005, to continue to receive funding for a child  
12 and adolescent health center under this section a grant recipient  
13 shall ensure that the child and adolescent health center has an  
14 advisory committee and that at least one-third of the members of  
15 the advisory committee are parents or legal guardians of school-  
16 aged children. A child and adolescent health center program shall  
17 recognize the role of a child's parents or legal guardian in the  
18 physical and emotional well-being of the child. Funding under this  
19 subsection shall be used to support child and adolescent health  
20 center services provided to children up to age 21. If any funds  
21 allocated under this subsection are not used for the purposes of  
22 this subsection for the fiscal year in which they are allocated,  
23 those unused funds shall be used that fiscal year to avoid or  
24 minimize any proration that would otherwise be required under  
25 subsection ~~(15)~~-(14) for that fiscal year.

26 (7) From the funds allocated under subsection (1), there is  
27 allocated for 2006-2007 an amount not to exceed \$5,150,000.00 for

1 the state portion of the hearing and vision screenings as described  
2 in section 9301 of the public health code, 1978 PA 368, MCL  
3 333.9301. A local public health department shall pay at least 50%  
4 of the total cost of the screenings. The frequency of the  
5 screenings shall be as required under R 325.13091 to R 325.13096  
6 and R 325.3271 to R 325.3276 of the Michigan administrative code.  
7 Funds shall be awarded in a form and manner approved jointly by the  
8 department and the department of community health.

9 ~~—— (8) From the funds allocated under subsection (1), there is~~  
10 ~~allocated for 2006-2007 an amount not to exceed \$100,000.00 for~~  
11 ~~payment to a district that is a school district of the first class~~  
12 ~~under the revised school code to support after school tutoring for~~  
13 ~~at risk girls in grades 1 to 8. Funds awarded under this subsection~~  
14 ~~may be used to contract with a nondistrict agency for a program or~~  
15 ~~services described in this subsection.~~

16 (8) ~~(9)~~ Each district or public school academy receiving funds  
17 under this section shall submit to the department by July 15 of  
18 each fiscal year a report, not to exceed 10 pages, on the usage by  
19 the district or public school academy of funds under this section,  
20 which report shall include at least a brief description of each  
21 program conducted by the district or public school academy using  
22 funds under this section, the amount of funds under this section  
23 allocated to each of those programs, the number of at-risk pupils  
24 eligible for free or reduced price school lunch who were served by  
25 each of those programs, and the total number of at-risk pupils  
26 served by each of those programs. If a district or public school  
27 academy does not comply with this subsection, the department shall

1 withhold an amount equal to the August payment due under this  
2 section until the district or public school academy complies with  
3 this subsection. If the district or public school academy does not  
4 comply with this subsection by the end of the state fiscal year,  
5 the withheld funds shall be forfeited to the school aid fund.

6 (9) ~~(10)~~—In order to receive funds under this section, a  
7 district or public school academy shall allow access for the  
8 department or the department's designee to audit all records  
9 related to the program for which it receives those funds. The  
10 district or public school academy shall reimburse the state for all  
11 disallowances found in the audit.

12 (10) ~~(11)~~—Subject to subsections (5), (6), (7), ~~(8)~~, **(12)**, **AND**  
13 (13), ~~and (14)~~, any district may use up to 100% of the funds it  
14 receives under this section to reduce the ratio of pupils to  
15 teachers in grades K-6, or any combination of those grades, in  
16 school buildings in which the percentage of pupils described in  
17 subsection (1) exceeds the district's aggregate percentage of those  
18 pupils. Subject to subsections (5), (6), (7), ~~(8)~~, **(12)**, **AND** (13),  
19 ~~and (14)~~, if a district obtains a waiver from the department, the  
20 district may use up to 100% of the funds it receives under this  
21 section to reduce the ratio of pupils to teachers in grades K-6, or  
22 any combination of those grades, in school buildings in which the  
23 percentage of pupils described in subsection (1) is at least 60% of  
24 the district's aggregate percentage of those pupils and at least  
25 30% of the total number of pupils enrolled in the school building.  
26 To obtain a waiver, a district must apply to the department and  
27 demonstrate to the satisfaction of the department that the class

1 size reductions would be in the best interests of the district's  
2 at-risk pupils.

3 (11) ~~(12)~~—A district or public school academy may use funds  
4 received under this section for adult high school completion,  
5 general educational development (G.E.D.) test preparation, adult  
6 English as a second language, or adult basic education programs  
7 described in section 107.

8 (12) ~~(13)~~—For an individual school or schools operated by a  
9 district or public school academy receiving funds under this  
10 section that have been determined by the department to meet the  
11 adequate yearly progress standards of the federal no child left  
12 behind act of 2001, Public Law 107-110, in both mathematics and  
13 English language arts at all applicable grade levels for all  
14 applicable subgroups, the district or public school academy may  
15 submit to the department an application for flexibility in using  
16 the funds received under this section that are attributable to the  
17 pupils in the school or schools. The application shall identify the  
18 affected school or schools and the affected funds and shall contain  
19 a plan for using the funds for specific purposes identified by the  
20 district that are designed to benefit at-risk pupils in the school,  
21 but that may be different from the purposes otherwise allowable  
22 under this section. The department shall approve the application if  
23 the department determines that the purposes identified in the plan  
24 are reasonably designed to benefit at-risk pupils in the school. If  
25 the department does not act to approve or disapprove an application  
26 within 30 days after it is submitted to the department, the  
27 application is considered to be approved. If an application for

1 flexibility in using the funds is approved, the district may use  
2 the funds identified in the application for any purpose identified  
3 in the plan.

4 (13) ~~(14)~~—A district or public school academy that receives  
5 funds under this section may use funds it receives under this  
6 section to implement and operate an early intervening program for  
7 pupils in grades K to 3 that meets either or both of the following:

8 (a) Monitors individual pupil learning and provides specific  
9 support or learning strategies to pupils as early as possible in  
10 order to reduce the need for special education placement. The  
11 program shall include literacy and numeracy supports, sensory motor  
12 skill development, behavior supports, instructional consultation  
13 for teachers, and the development of a parent/school learning plan.  
14 Specific support or learning strategies may include support in or  
15 out of the general classroom in areas including reading, writing,  
16 math, visual memory, motor skill development, behavior, or language  
17 development. These would be provided based on an understanding of  
18 the individual child's learning needs.

19 (b) Provides early intervening strategies using school-wide  
20 systems of academic and behavioral supports and is scientifically  
21 research-based. The strategies to be provided shall include at  
22 least pupil performance indicators based upon response to  
23 intervention, instructional consultation for teachers, and ongoing  
24 progress monitoring. A school-wide system of academic and  
25 behavioral support should be based on a support team available to  
26 the classroom teachers. The members of this team could include the  
27 principal, special education staff, reading teachers, and other

1 appropriate personnel who would be available to systematically  
2 study the needs of the individual child and work with the teacher  
3 to match instruction to the needs of the individual child.

4 (14) ~~(15)~~—If necessary, and before any proration required  
5 under section 11, the department shall prorate payments under this  
6 section by reducing the amount of the per pupil payment under this  
7 section by a dollar amount calculated by determining the amount by  
8 which the amount necessary to fully fund the requirements of this  
9 section exceeds the maximum amount allocated under this section and  
10 then dividing that amount by the total statewide number of pupils  
11 who met the income eligibility criteria for free breakfast, lunch,  
12 or milk in the immediately preceding fiscal year, as described in  
13 subsection (1).

14 (15) ~~(16)~~—If a district is formed by consolidation after June  
15 1, 1995, and if 1 or more of the original districts was not  
16 eligible before the consolidation for an additional allowance under  
17 this section, the amount of the additional allowance under this  
18 section for the consolidated district shall be based on the number  
19 of pupils described in subsection (1) enrolled in the consolidated  
20 district who reside in the territory of an original district that  
21 was eligible before the consolidation for an additional allowance  
22 under this section.

23 (16) ~~(17)~~—A district or public school academy that does not  
24 meet the eligibility requirement under subsection (2)(a) is  
25 eligible for funding under this section if at least 1/4 of the  
26 pupils in membership in the district or public school academy met  
27 the income eligibility criteria for free breakfast, lunch, or milk

1 in the immediately preceding state fiscal year, as determined and  
2 reported as described in subsection (1), and at least 4,500 of the  
3 pupils in membership in the district or public school academy met  
4 the income eligibility criteria for free breakfast, lunch, or milk  
5 in the immediately preceding state fiscal year, as determined and  
6 reported as described in subsection (1). A district or public  
7 school academy that is eligible for funding under this section  
8 because the district meets the requirements of this subsection  
9 shall receive under this section for each membership pupil in the  
10 district or public school academy who met the income eligibility  
11 criteria for free breakfast, lunch, or milk in the immediately  
12 preceding fiscal year, as determined and reported as described in  
13 subsection (1), an amount per pupil equal to 11.5% of the sum of  
14 the district's foundation allowance or public school academy's per  
15 pupil allocation under section 20, plus the amount of the  
16 district's per pupil allocation under section 20j(2), not to exceed  
17 \$6,500.00 adjusted by the dollar amount of the difference between  
18 the basic foundation allowance under section 20 for the current  
19 state fiscal year and \$5,000.00, minus \$200.00.

20 (17) ~~(18)~~—As used in this section, "at-risk pupil" means a  
21 pupil for whom the district has documentation that the pupil meets  
22 at least 2 of the following criteria: is a victim of child abuse or  
23 neglect; is below grade level in English language and communication  
24 skills or mathematics; is a pregnant teenager or teenage parent; is  
25 eligible for a federal free or reduced-price lunch subsidy; has  
26 atypical behavior or attendance patterns; or has a family history  
27 of school failure, incarceration, or substance abuse. For pupils

1 for whom the results of at least the applicable Michigan education  
2 assessment program (MEAP) test have been received, at-risk pupil  
3 also includes a pupil who does not meet the other criteria under  
4 this subsection but who did not achieve at least a score of level 2  
5 on the most recent MEAP English language arts, mathematics, or  
6 science test for which results for the pupil have been received.  
7 For pupils for whom the results of the Michigan merit examination  
8 have been received, at-risk pupil also includes a pupil who does  
9 not meet the other criteria under this subsection but who did not  
10 achieve proficiency on the reading component of the most recent  
11 Michigan merit examination for which results for the pupil have  
12 been received, did not achieve proficiency on the mathematics  
13 component of the most recent Michigan merit examination for which  
14 results for the pupil have been received, or did not achieve basic  
15 competency on the science component of the most recent Michigan  
16 merit examination for which results for the pupil have been  
17 received. For pupils in grades K-3, at-risk pupil also includes a  
18 pupil who is at risk of not meeting the district's core academic  
19 curricular objectives in English language arts or mathematics.

20       Sec. 51a. (1) ~~From the appropriation in section 11, there is~~  
21 ~~allocated for 2005-2006 an amount not to exceed \$932,083,000.00~~  
22 ~~from state sources and all available federal funding under sections~~  
23 ~~611 to 619 of part B of the individuals with disabilities education~~  
24 ~~act, 20 USC 1411 to 1419, estimated at \$345,850,000.00, plus any~~  
25 ~~carryover federal funds from previous year appropriations. From the~~  
26 ~~appropriation in section 11, there is allocated for 2006-2007 an~~  
27 ~~amount not to exceed \$991,983,000.00~~ **\$971,983,000.00** from state



1 sources and all available federal funding under sections 611 to 619  
2 of part B of the individuals with disabilities education act, 20  
3 USC 1411 to 1419, estimated at \$350,700,000.00, plus any carryover  
4 federal funds from previous year appropriations. The allocations  
5 under this subsection are for the purpose of reimbursing districts  
6 and intermediate districts for special education programs,  
7 services, and special education personnel as prescribed in article  
8 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition  
9 payments made by intermediate districts to the Michigan schools for  
10 the deaf and blind; and special education programs and services for  
11 pupils who are eligible for special education programs and services  
12 according to statute or rule. For meeting the costs of special  
13 education programs and services not reimbursed under this article,  
14 a district or intermediate district may use money in general funds  
15 or special education funds, not otherwise restricted, or  
16 contributions from districts to intermediate districts, tuition  
17 payments, gifts and contributions from individuals, or federal  
18 funds that may be available for this purpose, as determined by the  
19 intermediate district plan prepared pursuant to article 3 of the  
20 revised school code, MCL 380.1701 to 380.1766. All federal funds  
21 allocated under this section in excess of those allocated under  
22 this section for 2002-2003 may be distributed in accordance with  
23 the flexible funding provisions of the individuals with  
24 disabilities education act, Public Law 108-446, including, but not  
25 limited to, 34 CFR 300.234 and 300.235. Notwithstanding section  
26 17b, payments of federal funds to districts, intermediate  
27 districts, and other eligible entities under this section shall be

1 paid on a schedule determined by the department.

2 (2) From the funds allocated under subsection (1), there is  
3 allocated ~~each fiscal year for 2005-2006 and for 2006-2007~~ the  
4 amount necessary, estimated at ~~\$191,800,000.00 for 2005-2006 and~~  
5 ~~\$205,600,000.00~~ **\$207,900,000.00** for 2006-2007, for payments toward  
6 reimbursing districts and intermediate districts for 28.6138% of  
7 total approved costs of special education, excluding costs  
8 reimbursed under section 53a, and 70.4165% of total approved costs  
9 of special education transportation. Allocations under this  
10 subsection shall be made as follows:

11 (a) The initial amount allocated to a district under this  
12 subsection toward fulfilling the specified percentages shall be  
13 calculated by multiplying the district's special education pupil  
14 membership, excluding pupils described in subsection (12), times  
15 the sum of the foundation allowance under section 20 of the pupil's  
16 district of residence plus the amount of the district's per pupil  
17 allocation under section 20j(2), not to exceed \$6,500.00 adjusted  
18 by the dollar amount of the difference between the basic foundation  
19 allowance under section 20 for the current fiscal year and  
20 \$5,000.00 minus \$200.00, or, for a special education pupil in  
21 membership in a district that is a public school academy or  
22 university school, times an amount equal to the amount per  
23 membership pupil calculated under section 20(6). For an  
24 intermediate district, the amount allocated under this subdivision  
25 toward fulfilling the specified percentages shall be an amount per  
26 special education membership pupil, excluding pupils described in  
27 subsection (12), and shall be calculated in the same manner as for

1 a district, using the foundation allowance under section 20 of the  
2 pupil's district of residence, not to exceed \$6,500.00 adjusted by  
3 the dollar amount of the difference between the basic foundation  
4 allowance under section 20 for the current fiscal year and  
5 \$5,000.00 minus \$200.00, and that district's per pupil allocation  
6 under section 20j(2).

7 (b) After the allocations under subdivision (a), districts and  
8 intermediate districts for which the payments under subdivision (a)  
9 do not fulfill the specified percentages shall be paid the amount  
10 necessary to achieve the specified percentages for the district or  
11 intermediate district.

12 (3) From the funds allocated under subsection (1), there is  
13 allocated ~~each fiscal year for 2005-2006 and for 2006-2007~~ the  
14 amount necessary, estimated at ~~\$2,200,000.00 for 2005-2006 and~~  
15 ~~\$1,600,000.00~~ **\$2,000,000.00** for 2006-2007, to make payments to  
16 districts and intermediate districts under this subsection. If the  
17 amount allocated to a district or intermediate district for a  
18 fiscal year under subsection (2)(b) is less than the sum of the  
19 amounts allocated to the district or intermediate district for  
20 1996-97 under sections 52 and 58, there is allocated to the  
21 district or intermediate district for the fiscal year an amount  
22 equal to that difference, adjusted by applying the same proration  
23 factor that was used in the distribution of funds under section 52  
24 in 1996-97 as adjusted to the district's or intermediate district's  
25 necessary costs of special education used in calculations for the  
26 fiscal year. This adjustment is to reflect reductions in special  
27 education program operations or services between 1996-97 and

1 subsequent fiscal years. Adjustments for reductions in special  
2 education program operations or services shall be made in a manner  
3 determined by the department and shall include adjustments for  
4 program or service shifts.

5 (4) If the department determines that the sum of the amounts  
6 allocated for a fiscal year to a district or intermediate district  
7 under subsection (2)(a) and (b) is not sufficient to fulfill the  
8 specified percentages in subsection (2), then the shortfall shall  
9 be paid to the district or intermediate district during the fiscal  
10 year beginning on the October 1 following the determination and  
11 payments under subsection (3) shall be adjusted as necessary. If  
12 the department determines that the sum of the amounts allocated for  
13 a fiscal year to a district or intermediate district under  
14 subsection (2)(a) and (b) exceeds the sum of the amount necessary  
15 to fulfill the specified percentages in subsection (2), then the  
16 department shall deduct the amount of the excess from the  
17 district's or intermediate district's payments under this act for  
18 the fiscal year beginning on the October 1 following the  
19 determination and payments under subsection (3) shall be adjusted  
20 as necessary. However, if the amount allocated under subsection  
21 (2)(a) in itself exceeds the amount necessary to fulfill the  
22 specified percentages in subsection (2), there shall be no  
23 deduction under this subsection.

24 (5) State funds shall be allocated on a total approved cost  
25 basis. Federal funds shall be allocated under applicable federal  
26 requirements, except that an amount not to exceed \$3,500,000.00 may  
27 be allocated by the department ~~each fiscal year for 2005-2006 and~~

1 for 2006-2007 to districts, intermediate districts, or other  
2 eligible entities on a competitive grant basis for programs,  
3 equipment, and services that the department determines to be  
4 designed to benefit or improve special education on a statewide  
5 scale.

6 (6) From the amount allocated in subsection (1), there is  
7 allocated an amount not to exceed \$2,200,000.00 ~~each fiscal year~~  
8 ~~for 2005-2006 and~~ for 2006-2007 to reimburse 100% of the net  
9 increase in necessary costs incurred by a district or intermediate  
10 district in implementing the revisions in the administrative rules  
11 for special education that became effective on July 1, 1987. As  
12 used in this subsection, "net increase in necessary costs" means  
13 the necessary additional costs incurred solely because of new or  
14 revised requirements in the administrative rules minus cost savings  
15 permitted in implementing the revised rules. Net increase in  
16 necessary costs shall be determined in a manner specified by the  
17 department.

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

19 (a) "Total approved costs of special education" shall be  
20 determined in a manner specified by the department and may include  
21 indirect costs, but shall not exceed 115% of approved direct costs  
22 for section 52 and section 53a programs. The total approved costs  
23 include salary and other compensation for all approved special  
24 education personnel for the program, including payments for social  
25 security and medicare and public school employee retirement system  
26 contributions. The total approved costs do not include salaries or  
27 other compensation paid to administrative personnel who are not

1 special education personnel as defined in section 6 of the revised  
2 school code, MCL 380.6. Costs reimbursed by federal funds, other  
3 than those federal funds included in the allocation made under this  
4 article, are not included. Special education approved personnel not  
5 utilized full time in the evaluation of students or in the delivery  
6 of special education programs, ancillary, and other related  
7 services shall be reimbursed under this section only for that  
8 portion of time actually spent providing these programs and  
9 services, with the exception of special education programs and  
10 services provided to youth placed in child caring institutions or  
11 juvenile detention programs approved by the department to provide  
12 an on-grounds education program.

13 (b) Except as otherwise provided in subdivisions (c) and (d),  
14 beginning with the 2004-2005 fiscal year, a district or  
15 intermediate district that employed special education support  
16 services staff to provide special education support services in  
17 2003-2004 or in a subsequent fiscal year and that in a fiscal year  
18 after 2003-2004 receives the same type of support services from  
19 another district or intermediate district shall report the cost of  
20 those support services for special education reimbursement purposes  
21 under this act. This subdivision does not prohibit the transfer of  
22 special education classroom teachers and special education  
23 classroom aides if the pupils counted in membership associated with  
24 those special education classroom teachers and special education  
25 classroom aides are transferred and counted in membership in the  
26 other district or intermediate district in conjunction with the  
27 transfer of those teachers and aides.

1 (c) If the department determines before bookclosing for 2004-  
2 2005 that the amounts allocated under this section for 2004-2005  
3 will exceed expenditures under this section for 2004-2005, then for  
4 2004-2005 only, for a district or intermediate district whose  
5 reimbursement for 2004-2005 would otherwise be affected by  
6 subdivision (b), subdivision (b) does not apply to the calculation  
7 of the reimbursement for that district or intermediate district and  
8 reimbursement for that district or intermediate district shall be  
9 calculated in the same manner as it was for 2003-2004. If the  
10 amount of the excess allocations under this section is not  
11 sufficient to fully fund the calculation of reimbursement to those  
12 districts and intermediate districts under this subdivision, then  
13 the calculations and resulting reimbursement under this subdivision  
14 shall be prorated on an equal percentage basis.

15 (d) If the department determines before bookclosing for 2005-  
16 2006 that the amounts allocated for 2005-2006 under subsections  
17 (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 will  
18 exceed expenditures for 2005-2006 under subsections (2), (3), (6),  
19 (8), and (12) and sections 53a, 54, and 56, then for 2005-2006  
20 only, for a district or intermediate district whose reimbursement  
21 for 2005-2006 would otherwise be affected by subdivision (b),  
22 subdivision (b) does not apply to the calculation of the  
23 reimbursement for that district or intermediate district and  
24 reimbursement for that district or intermediate district shall be  
25 calculated in the same manner as it was for 2003-2004. If the  
26 amount of the excess allocations under subsections (2), (3), (6),  
27 (8), and (12) and sections 53a, 54, and 56 is not sufficient to

1 fully fund the calculation of reimbursement to those districts and  
2 intermediate districts under this subdivision, then the  
3 calculations and resulting reimbursement under this subdivision  
4 shall be prorated on an equal percentage basis.

5 (e) Reimbursement for ancillary and other related services, as  
6 defined by R 340.1701c of the Michigan administrative code, shall  
7 not be provided when those services are covered by and available  
8 through private group health insurance carriers or federal  
9 reimbursed program sources unless the department and district or  
10 intermediate district agree otherwise and that agreement is  
11 approved by the state budget director. Expenses, other than the  
12 incidental expense of filing, shall not be borne by the parent. In  
13 addition, the filing of claims shall not delay the education of a  
14 pupil. A district or intermediate district shall be responsible for  
15 payment of a deductible amount and for an advance payment required  
16 until the time a claim is paid.

17 (f) Beginning with calculations for 2004-2005, if an  
18 intermediate district purchases a special education pupil  
19 transportation service from a constituent district that was  
20 previously purchased from a private entity; if the purchase from  
21 the constituent district is at a lower cost, adjusted for changes  
22 in fuel costs; and if the cost shift from the intermediate district  
23 to the constituent does not result in any net change in the revenue  
24 the constituent district receives from payments under sections 22b  
25 and 51c, then upon application by the intermediate district, the  
26 department shall direct the intermediate district to continue to  
27 report the cost associated with the specific identified special



1 education pupil transportation service and shall adjust the costs  
2 reported by the constituent district to remove the cost associated  
3 with that specific service.

4 (8) From the allocation in subsection (1), there is allocated  
5 ~~each fiscal year for 2005-2006 and for 2006-2007~~ an amount not to  
6 exceed \$15,313,900.00 to intermediate districts. The payment under  
7 this subsection to each intermediate district shall be equal to the  
8 amount of the 1996-97 allocation to the intermediate district under  
9 subsection (6) of this section as in effect for 1996-97.

10 (9) A pupil who is enrolled in a full-time special education  
11 program conducted or administered by an intermediate district or a  
12 pupil who is enrolled in the Michigan schools for the deaf and  
13 blind shall not be included in the membership count of a district,  
14 but shall be counted in membership in the intermediate district of  
15 residence.

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

21 (11) If a district or intermediate district uses money  
22 received under this section for a purpose other than the purpose or  
23 purposes for which the money is allocated, the department may  
24 require the district or intermediate district to refund the amount  
25 of money received. Money that is refunded shall be deposited in the  
26 state treasury to the credit of the state school aid fund.

27 (12) From the funds allocated in subsection (1), there is

1 allocated ~~each fiscal year for 2005-2006 and for 2006-2007~~ the  
2 amount necessary, estimated at ~~\$6,900,000.00 for 2005-2006 and~~  
3 ~~\$7,700,000.00~~ **\$6,500,000.00** for 2006-2007, to pay the foundation  
4 allowances for pupils described in this subsection. The allocation  
5 to a district under this subsection shall be calculated by  
6 multiplying the number of pupils described in this subsection who  
7 are counted in membership in the district times the sum of the  
8 foundation allowance under section 20 of the pupil's district of  
9 residence plus the amount of the district's per pupil allocation  
10 under section 20j(2), not to exceed \$6,500.00 adjusted by the  
11 dollar amount of the difference between the basic foundation  
12 allowance under section 20 for the current fiscal year and  
13 \$5,000.00 minus \$200.00, or, for a pupil described in this  
14 subsection who is counted in membership in a district that is a  
15 public school academy or university school, times an amount equal  
16 to the amount per membership pupil under section 20(6). The  
17 allocation to an intermediate district under this subsection shall  
18 be calculated in the same manner as for a district, using the  
19 foundation allowance under section 20 of the pupil's district of  
20 residence, not to exceed \$6,500.00 adjusted by the dollar amount of  
21 the difference between the basic foundation allowance under section  
22 20 for the current fiscal year and \$5,000.00 minus \$200.00, and  
23 that district's per pupil allocation under section 20j(2). This  
24 subsection applies to all of the following pupils:

- 25 (a) Pupils described in section 53a.  
26 (b) Pupils counted in membership in an intermediate district  
27 who are not special education pupils and are served by the

1 intermediate district in a juvenile detention or child caring  
2 facility.

3 (c) Emotionally impaired pupils counted in membership by an  
4 intermediate district and provided educational services by the  
5 department of community health.

6 (13) After payments under subsections (2) and (12) and section  
7 51c, the remaining expenditures from the allocation in subsection  
8 (1) shall be made in the following order:

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

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

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

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

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

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

15 (14) The allocations under subsection (2), subsection (3), and  
16 subsection (12) shall be allocations to intermediate districts only  
17 and shall not be allocations to districts, but instead shall be  
18 calculations used only to determine the state payments under  
19 section 22b.

20 Sec. 51c. As required by the court in the consolidated cases  
21 known as Durant v State of Michigan, Michigan supreme court docket  
22 no. 104458-104492, from the allocation under section 51a(1), there  
23 is allocated ~~each fiscal year for 2005-2006 and for 2006-2007~~ the  
24 amount necessary, estimated at ~~\$662,300,000.00 for 2005-2006 and~~  
25 ~~\$708,200,000.00~~ **\$686,700,000.00** for 2006-2007, for payments to  
26 reimburse districts for 28.6138% of total approved costs of special  
27 education excluding costs reimbursed under section 53a, and

1 70.4165% of total approved costs of special education  
2 transportation. Funds allocated under this section that are not  
3 expended in the state fiscal year for which they were allocated, as  
4 determined by the department, may be used to supplement the  
5 allocations under sections 22a and 22b in order to fully fund those  
6 calculated allocations for the same fiscal year.

7 Sec. 65. (1) From the amount appropriated in section 11, there  
8 is allocated an amount not to exceed ~~\$780,100.00~~ **\$680,100.00** for  
9 2006-2007 for grants to districts or intermediate districts, as  
10 determined by the department of labor and economic growth, for  
11 eligible precollege programs in engineering and the sciences.

12 (2) From the funds allocated under subsection (1), the  
13 department of labor and economic growth shall award \$680,100.00 for  
14 2006-2007 to the 2 eligible existing programs that received funds  
15 appropriated for these purposes in the appropriations act  
16 containing the department of labor and economic growth budget for  
17 2005-2006.

18 ~~(3) From the funds allocated under subsection (1), the~~  
19 ~~department of labor and economic growth shall award \$100,000.00 for~~  
20 ~~2006-2007 to the Kalamazoo regional education service agency to~~  
21 ~~support an area program substantially similar to the 2 eligible~~  
22 ~~existing programs receiving funds under subsection (1).~~

23 (3) ~~(4)~~—The department of labor and economic growth shall  
24 submit a report to the appropriations subcommittees responsible for  
25 this act and to the house and senate fiscal agencies by February 1,  
26 2007 regarding dropout rates, grade point averages, enrollment in  
27 science, engineering, and math-based curricula, and employment in

1 science, engineering, and mathematics-based fields for pupils who  
2 were enrolled in the programs awarded funds under this section or  
3 under preceding legislation. The report shall continue to evaluate  
4 the effectiveness of the precollege programs in engineering and  
5 sciences funded under this section.

6 (4) ~~(5)~~—Notwithstanding section 17b, payments under this  
7 section may be made pursuant to an agreement with the department.

8 Sec. 81. (1) Except as otherwise provided in this section,  
9 from the appropriation in section 11, there is allocated for 2006-  
10 2007 to the intermediate districts the sum necessary, but not to  
11 exceed \$80,110,900.00, to provide state aid to intermediate  
12 districts under this section. Except as otherwise provided in this  
13 section, there shall be allocated to each intermediate district for  
14 2006-2007 an amount equal to 103.1% of the amount appropriated  
15 under this subsection for 2005-2006. Funding provided under this  
16 section shall be used to comply with requirements of this act and  
17 the revised school code that are applicable to intermediate  
18 districts, and for which funding is not provided elsewhere in this  
19 act, and to provide technical assistance to districts as authorized  
20 by the intermediate school board.

21 (2) It is the intent of the legislature that intermediate  
22 districts receiving funds under this section shall collaborate with  
23 the department to develop expanded professional development  
24 opportunities for teachers to update and expand their knowledge and  
25 skills needed to support the Michigan merit curriculum.

26 (3) From the allocation in subsection (1), there is allocated  
27 to an intermediate district, formed by the consolidation or

1 annexation of 2 or more intermediate districts or the attachment of  
2 a total intermediate district to another intermediate school  
3 district or the annexation of all of the constituent K-12 districts  
4 of a previously existing intermediate school district which has  
5 disorganized, an additional allotment of \$3,500.00 each fiscal year  
6 for each intermediate district included in the new intermediate  
7 district for 3 years following consolidation, annexation, or  
8 attachment.

9 (4) During a fiscal year, the department shall not increase an  
10 intermediate district's allocation under subsection (1) because of  
11 an adjustment made by the department during the fiscal year in the  
12 intermediate district's taxable value for a prior year. Instead,  
13 the department shall report the adjustment and the estimated amount  
14 of the increase to the house and senate fiscal agencies and the  
15 state budget director not later than June 1 of the fiscal year, and  
16 the legislature shall appropriate money for the adjustment in the  
17 next succeeding fiscal year.

18 (5) In order to receive funding under this section, an  
19 intermediate district shall ~~demonstrate~~ **DO ALL OF THE FOLLOWING:**

20 **(A) DEMONSTRATE** to the satisfaction of the department that the  
21 intermediate district employs at least 1 person who is trained in  
22 pupil counting procedures, rules, and regulations.

23 **(B) DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT THAT THE**  
24 **INTERMEDIATE DISTRICT EMPLOYS AT LEAST 1 PERSON WHO IS TRAINED IN**  
25 **RULES, REGULATIONS, AND DISTRICT REPORTING PROCEDURES FOR THE**  
26 **INDIVIDUAL-LEVEL PUPIL DATA THAT SERVES AS THE BASIS FOR THE**  
27 **CALCULATION OF THE DISTRICT AND HIGH SCHOOL GRADUATION AND DROPOUT**

1 RATES.

2 (C) COMPLY WITH SECTIONS 1278A AND 1278B OF THE REVISED SCHOOL  
3 CODE, MCL 380.1278A AND 380.1278B.

4 (D) FURNISH DATA AND OTHER INFORMATION REQUIRED BY STATE AND  
5 FEDERAL LAW TO THE CENTER AND THE DEPARTMENT IN THE FORM AND MANNER  
6 SPECIFIED BY THE CENTER OR THE DEPARTMENT, AS APPLICABLE.

7 (E) COMPLY WITH SECTION 1230G OF THE REVISED SCHOOL CODE, MCL  
8 380.1230G.

9 Sec. 147. (1) The allocation for 2006-2007 for the public  
10 school employees' retirement system pursuant to the public school  
11 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
12 38.1408, shall be made using the entry age normal cost actuarial  
13 method and risk assumptions adopted by the public school employees  
14 retirement board and the department of management and budget. The  
15 annual level percentage of payroll contribution rate is estimated  
16 at 17.74% for the 2006-2007 state fiscal year. The portion of the  
17 contribution rate assigned to districts and intermediate districts  
18 for each fiscal year is all of the total percentage points. This  
19 contribution rate reflects an amortization period of 30 years for  
20 2006-2007. The public school employees' retirement system board  
21 shall notify each district and intermediate district by February 28  
22 of each fiscal year of the estimated contribution rate for the next  
23 fiscal year.

24 (2) UPON ENACTMENT OF LEGISLATION REASSIGNING THE ASSETS HELD  
25 BY THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM TO THEIR FAIR  
26 MARKET VALUE AS OF SEPTEMBER 30, 2006, AND UPON PAYMENT ONLY OF  
27 INTEREST COSTS ON UNFUNDED ACTUARIAL ACCRUED LIABILITY, THE

1 DIRECTOR OF THE DEPARTMENT OF MANAGEMENT AND BUDGET SHALL DIRECT  
2 THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM TO ISSUE CREDITS FOR  
3 THE FISCAL YEAR ENDING SEPTEMBER 30, 2007 NOT TO EXCEED AN  
4 AGGREGATE OF \$262,000,000.00 TO REFLECT THE CHANGE TO THE FAIR  
5 MARKET VALUE AND PAYMENT ONLY OF INTEREST COSTS. A CREDIT ISSUED ON  
6 BEHALF OF A DISTRICT SHALL BE CONSIDERED TO BE A PAYMENT ON BEHALF  
7 OF THE DISTRICT FOR THE PURPOSES OF CALCULATING PAYMENTS MADE UNDER  
8 SECTION 22B FOR 2006-2007, AND A CREDIT ISSUED ON BEHALF OF AN  
9 INTERMEDIATE DISTRICT SHALL BE CONSIDERED TO BE A PAYMENT ON BEHALF  
10 OF THE INTERMEDIATE DISTRICT FOR THE PURPOSE OF CALCULATING  
11 PAYMENTS MADE UNDER SECTION 81 FOR 2006-2007. THE CREDITS ISSUED  
12 UNDER THIS SECTION SHALL BE USED TO PARTIALLY MEET THE REQUIRED  
13 PENSION OBLIGATIONS OF EACH DISTRICT AND INTERMEDIATE DISTRICT AND  
14 SHALL REDUCE THE AMOUNT OF THE PENSION CONTRIBUTIONS OTHERWISE DUE  
15 FROM THAT DISTRICT OR INTERMEDIATE DISTRICT BASED ON THE ORIGINAL  
16 CONTRIBUTION RATE. THE CREDIT PROVIDED UNDER THIS SUBSECTION FOR A  
17 PARTICULAR DISTRICT OR INTERMEDIATE DISTRICT SHALL BE DETERMINED  
18 BASED ON THAT DISTRICT'S OR INTERMEDIATE DISTRICT'S PERCENTAGE OF  
19 THE TOTAL STATEWIDE PAYROLL FOR ALL DISTRICTS AND INTERMEDIATE  
20 DISTRICTS FOR THE STATE FISCAL YEAR ENDING SEPTEMBER 30, 2006.

21 Enacting section 1. In accordance with section 30 of article I  
22 of the state constitution of 1963, total state spending in this  
23 amendatory act and in 2006 PA 342 from state sources for fiscal  
24 year 2006-2007 is estimated at \$11,537,036,300.00 and state  
25 appropriations to be paid to local units of government for fiscal  
26 year 2006-2007 are estimated at \$11,399,474,600.00.

27 Enacting section 2. Sections 31c, 32m, 34, 57a, 98c, 99d, 99f,



1 and 99g of the state school aid act of 1979, 1979 PA 94, MCL  
2 388.1631c, 388.1632m, 388.1634, 388.1657a, 388.1698c, 388.1699d,  
3 388.1699f, and 388.1699g, are repealed.