

# HOUSE BILL No. 5617

December 1, 2009, Introduced by Reps. Jackson and Johnson and referred to the Committee on Education.

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3 and 6 (MCL 388.1603 and 388.1606), as amended by 2009 PA 121, and by adding section 27.

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

1           Sec. 3. (1) "Average daily attendance", for the purposes of  
2           complying with federal law, means 92% of the pupils counted in  
3           membership on the pupil membership count day, as defined in section  
4           6(7).

5           (2) "Board" means the governing body of a district or public  
6           school academy.

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

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

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

10           (6) "District" means a local school district established under  
11 the revised school code or, except in sections 6(4), 6(6), 13, 20,  
12 22a, 23, **27**, 29, 31a, 51a(15), 105, and 105c, a public school  
13 academy. Except in sections 6(4), 6(6), 13, 20, 22a, **27**, 29,  
14 51a(15), 105, and 105c, district also includes a university school.

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

27           (8) "District superintendent" means the superintendent of a

1 district, the chief administrator of a public school academy, or  
2 the chief administrator of a university school.

3       Sec. 6. (1) "Center program" means a program operated by a  
4 district or intermediate district for special education pupils from  
5 several districts in programs for pupils with autism spectrum  
6 disorder, pupils with severe cognitive impairment, pupils with  
7 moderate cognitive impairment, pupils with severe multiple  
8 impairments, pupils with hearing impairment, pupils with visual  
9 impairment, and pupils with physical impairment or other health  
10 impairment. Programs for pupils with emotional impairment housed in  
11 buildings that do not serve regular education pupils also qualify.  
12 Unless otherwise approved by the department, a center program  
13 either shall serve all constituent districts within an intermediate  
14 district or shall serve several districts with less than 50% of the  
15 pupils residing in the operating district. In addition, special  
16 education center program pupils placed part-time in noncenter  
17 programs to comply with the least restrictive environment  
18 provisions of section 612 of part B of the individuals with  
19 disabilities education act, 20 USC 1412, may be considered center  
20 program pupils for pupil accounting purposes for the time scheduled  
21 in either a center program or a noncenter program.

22       (2) "District and high school graduation rate" means the  
23 annual completion and pupil dropout rate that is calculated by the  
24 center pursuant to nationally recognized standards.

25       (3) "District and high school graduation report" means a  
26 report of the number of pupils, excluding adult participants, in  
27 the district for the immediately preceding school year, adjusted

1 for those pupils who have transferred into or out of the district  
2 or high school, who leave high school with a diploma or other  
3 credential of equal status.

4 (4) "Membership", except as otherwise provided in this act,  
5 means for a district, public school academy, university school, or  
6 intermediate district the sum of the product of .75 times the  
7 number of full-time equated pupils in grades K to 12 actually  
8 enrolled and in regular daily attendance on the pupil membership  
9 count day for the current school year, plus the product of .25  
10 times the final audited count from the supplemental count day for  
11 the immediately preceding school year. All pupil counts used in  
12 this subsection are as determined by the department and calculated  
13 by adding the number of pupils registered for attendance plus  
14 pupils received by transfer and minus pupils lost as defined by  
15 rules promulgated by the superintendent, and as corrected by a  
16 subsequent department audit. The amount of the foundation allowance  
17 for a pupil in membership is determined under section 20. In making  
18 the calculation of membership, all of the following, as applicable,  
19 apply to determining the membership of a district, public school  
20 academy, university school, or intermediate district:

21 (a) Except as otherwise provided in this subsection, and  
22 pursuant to subsection (6), a pupil shall be counted in membership  
23 in the pupil's educating district or districts. An individual pupil  
24 shall not be counted for more than a total of 1.0 full-time equated  
25 membership.

26 (b) If a pupil is educated in a district other than the  
27 pupil's district of residence, if the pupil is not being educated

1 as part of a cooperative education program, if the pupil's district  
2 of residence does not give the educating district its approval to  
3 count the pupil in membership in the educating district, and if the  
4 pupil is not covered by an exception specified in subsection (6) to  
5 the requirement that the educating district must have the approval  
6 of the pupil's district of residence to count the pupil in  
7 membership, the pupil shall not be counted in membership in any  
8 district.

9 (c) A special education pupil educated by the intermediate  
10 district shall be counted in membership in the intermediate  
11 district.

12 (d) A pupil placed by a court or state agency in an on-grounds  
13 program of a juvenile detention facility, a child caring  
14 institution, or a mental health institution, or a pupil funded  
15 under section 53a, shall be counted in membership in the district  
16 or intermediate district approved by the department to operate the  
17 program.

18 (e) A pupil enrolled in the Michigan schools for the deaf and  
19 blind shall be counted in membership in the pupil's intermediate  
20 district of residence.

21 (f) A pupil enrolled in a vocational education program  
22 supported by a millage levied over an area larger than a single  
23 district or in an area vocational-technical education program  
24 established pursuant to section 690 of the revised school code, MCL  
25 380.690, shall be counted only in the pupil's district of  
26 residence.

27 (g) A pupil enrolled in a university school shall be counted

1 in membership in the university school.

2 (h) A pupil enrolled in a public school academy shall be  
3 counted in membership in the public school academy.

4 (i) For a new district, university school, or public school  
5 academy beginning its operation after December 31, 1994, membership  
6 for the first 2 full or partial fiscal years of operation shall be  
7 determined as follows:

8 (i) If operations begin before the pupil membership count day  
9 for the fiscal year, membership is the average number of full-time  
10 equated pupils in grades K to 12 actually enrolled and in regular  
11 daily attendance on the pupil membership count day for the current  
12 school year and on the supplemental count day for the current  
13 school year, as determined by the department and calculated by  
14 adding the number of pupils registered for attendance on the pupil  
15 membership count day plus pupils received by transfer and minus  
16 pupils lost as defined by rules promulgated by the superintendent,  
17 and as corrected by a subsequent department audit, plus the final  
18 audited count from the supplemental count day for the current  
19 school year, and dividing that sum by 2.

20 (ii) If operations begin after the pupil membership count day  
21 for the fiscal year and not later than the supplemental count day  
22 for the fiscal year, membership is the final audited count of the  
23 number of full-time equated pupils in grades K to 12 actually  
24 enrolled and in regular daily attendance on the supplemental count  
25 day for the current school year.

26 (j) If a district is the authorizing body for a public school  
27 academy, then, in the first school year in which pupils are counted

1 in membership on the pupil membership count day in the public  
2 school academy, the determination of the district's membership  
3 shall exclude from the district's pupil count for the immediately  
4 preceding supplemental count day any pupils who are counted in the  
5 public school academy on that first pupil membership count day who  
6 were also counted in the district on the immediately preceding  
7 supplemental count day.

8 (k) In a district, public school academy, university school,  
9 or intermediate district operating an extended school year program  
10 approved by the superintendent, a pupil enrolled, but not scheduled  
11 to be in regular daily attendance on a pupil membership count day,  
12 shall be counted.

13 (l) Pupils to be counted in membership shall be not less than 5  
14 years of age on December 1 and less than 20 years of age on  
15 September 1 of the school year except a special education pupil who  
16 is enrolled and receiving instruction in a special education  
17 program or service approved by the department and not having a high  
18 school diploma who is less than 26 years of age as of September 1  
19 of the current school year shall be counted in membership.

20 (m) An individual who has obtained a high school diploma shall  
21 not be counted in membership. An individual who has obtained a  
22 general educational development (G.E.D.) certificate shall not be  
23 counted in membership. An individual participating in a job  
24 training program funded under former section 107a or a jobs program  
25 funded under former section 107b, administered by the Michigan  
26 strategic fund or the department of energy, labor, and economic  
27 growth, or participating in any successor of either of those 2

1 programs, shall not be counted in membership.

2 (n) If a pupil counted in membership in a public school  
3 academy is also educated by a district or intermediate district as  
4 part of a cooperative education program, the pupil shall be counted  
5 in membership only in the public school academy unless a written  
6 agreement signed by all parties designates the party or parties in  
7 which the pupil shall be counted in membership, and the  
8 instructional time scheduled for the pupil in the district or  
9 intermediate district shall be included in the full-time equated  
10 membership determination under subdivision (q). However, for pupils  
11 receiving instruction in both a public school academy and in a  
12 district or intermediate district but not as a part of a  
13 cooperative education program, the following apply:

14 (i) If the public school academy provides instruction for at  
15 least 1/2 of the class hours specified in subdivision (q), the  
16 public school academy shall receive as its prorated share of the  
17 full-time equated membership for each of those pupils an amount  
18 equal to 1 times the product of the hours of instruction the public  
19 school academy provides divided by the number of hours specified in  
20 subdivision (q) for full-time equivalency, and the remainder of the  
21 full-time membership for each of those pupils shall be allocated to  
22 the district or intermediate district providing the remainder of  
23 the hours of instruction.

24 (ii) If the public school academy provides instruction for less  
25 than 1/2 of the class hours specified in subdivision (q), the  
26 district or intermediate district providing the remainder of the  
27 hours of instruction shall receive as its prorated share of the



1 full-time equated membership for each of those pupils an amount  
2 equal to 1 times the product of the hours of instruction the  
3 district or intermediate district provides divided by the number of  
4 hours specified in subdivision (q) for full-time equivalency, and  
5 the remainder of the full-time membership for each of those pupils  
6 shall be allocated to the public school academy.

7 (o) An individual less than 16 years of age as of September 1  
8 of the current school year who is being educated in an alternative  
9 education program shall not be counted in membership if there are  
10 also adult education participants being educated in the same  
11 program or classroom.

12 (p) The department shall give a uniform interpretation of  
13 full-time and part-time memberships.

14 (q) The number of class hours used to calculate full-time  
15 equated memberships shall be consistent with section 101(3). In  
16 determining full-time equated memberships for pupils who are  
17 enrolled in a postsecondary institution, a pupil shall not be  
18 considered to be less than a full-time equated pupil solely because  
19 of the effect of his or her postsecondary enrollment, including  
20 necessary travel time, on the number of class hours provided by the  
21 district to the pupil.

22 (r) Except as otherwise provided in this subdivision, full-  
23 time equated memberships for pupils in kindergarten shall be  
24 determined by dividing the number of class hours scheduled and  
25 provided per year per kindergarten pupil by a number equal to 1/2  
26 the number used for determining full-time equated memberships for  
27 pupils in grades 1 to 12.

1           (s) For a district, university school, or public school  
2 academy that has pupils enrolled in a grade level that was not  
3 offered by the district, university school, or public school  
4 academy in the immediately preceding school year, the number of  
5 pupils enrolled in that grade level to be counted in membership is  
6 the average of the number of those pupils enrolled and in regular  
7 daily attendance on the pupil membership count day and the  
8 supplemental count day of the current school year, as determined by  
9 the department. Membership shall be calculated by adding the number  
10 of pupils registered for attendance in that grade level on the  
11 pupil membership count day plus pupils received by transfer and  
12 minus pupils lost as defined by rules promulgated by the  
13 superintendent, and as corrected by subsequent department audit,  
14 plus the final audited count from the supplemental count day for  
15 the current school year, and dividing that sum by 2.

16           (t) A pupil enrolled in a cooperative education program may be  
17 counted in membership in the pupil's district of residence with the  
18 written approval of all parties to the cooperative agreement.

19           (u) If, as a result of a disciplinary action, a district  
20 determines through the district's alternative or disciplinary  
21 education program that the best instructional placement for a pupil  
22 is in the pupil's home or otherwise apart from the general school  
23 population, if that placement is authorized in writing by the  
24 district superintendent and district alternative or disciplinary  
25 education supervisor, and if the district provides appropriate  
26 instruction as described in this subdivision to the pupil at the  
27 pupil's home or otherwise apart from the general school population,

1 the district may count the pupil in membership on a pro rata basis,  
2 with the proration based on the number of hours of instruction the  
3 district actually provides to the pupil divided by the number of  
4 hours specified in subdivision (q) for full-time equivalency. For  
5 the purposes of this subdivision, a district shall be considered to  
6 be providing appropriate instruction if all of the following are  
7 met:

8 (i) The district provides at least 2 nonconsecutive hours of  
9 instruction per week to the pupil at the pupil's home or otherwise  
10 apart from the general school population under the supervision of a  
11 certificated teacher.

12 (ii) The district provides instructional materials, resources,  
13 and supplies, except computers, that are comparable to those  
14 otherwise provided in the district's alternative education program.

15 (iii) Course content is comparable to that in the district's  
16 alternative education program.

17 (iv) Credit earned is awarded to the pupil and placed on the  
18 pupil's transcript.

19 (v) A pupil enrolled in an alternative or disciplinary  
20 education program described in section 25 shall be counted in  
21 membership in the district or public school academy that is  
22 educating the pupil.

23 (w) If a pupil was enrolled in a public school academy on the  
24 pupil membership count day, if the public school academy's contract  
25 with its authorizing body is revoked or the public school academy  
26 otherwise ceases to operate, and if the pupil enrolls in a district  
27 within 45 days after the pupil membership count day, the department

1 shall adjust the district's pupil count for the pupil membership  
2 count day to include the pupil in the count.

3 (x) For a public school academy that has been in operation for  
4 at least 2 years and that suspended operations for at least 1  
5 semester and is resuming operations, membership is the sum of the  
6 product of .75 times the number of full-time equated pupils in  
7 grades K to 12 actually enrolled and in regular daily attendance on  
8 the first pupil membership count day or supplemental count day,  
9 whichever is first, occurring after operations resume, plus the  
10 product of .25 times the final audited count from the most recent  
11 pupil membership count day or supplemental count day that occurred  
12 before suspending operations, as determined by the superintendent.

13 (y) If a district's membership for a particular fiscal year,  
14 as otherwise calculated under this subsection, would be less than  
15 1,550 pupils and the district has 4.5 or fewer pupils per square  
16 mile, as determined by the department, and, beginning in 2007-2008,  
17 if the district does not receive funding under section 22d(2), the  
18 district's membership shall be considered to be the membership  
19 figure calculated under this subdivision. If a district educates  
20 and counts in its membership pupils in grades 9 to 12 who reside in  
21 a contiguous district that does not operate grades 9 to 12 and if 1  
22 or both of the affected districts request the department to use the  
23 determination allowed under this sentence, the department shall  
24 include the square mileage of both districts in determining the  
25 number of pupils per square mile for each of the districts for the  
26 purposes of this subdivision. The membership figure calculated  
27 under this subdivision is the greater of the following:

1           (i) The average of the district's membership for the 3-fiscal-  
2 year period ending with that fiscal year, calculated by adding the  
3 district's actual membership for each of those 3 fiscal years, as  
4 otherwise calculated under this subsection, and dividing the sum of  
5 those 3 membership figures by 3.

6           (ii) The district's actual membership for that fiscal year as  
7 otherwise calculated under this subsection.

8           (z) If a public school academy that is not in its first or  
9 second year of operation closes at the end of a school year and  
10 does not reopen for the next school year, the department shall  
11 adjust the membership count of the district in which a former pupil  
12 of the public school academy enrolls and is in regular daily  
13 attendance for the next school year to ensure that the district  
14 receives the same amount of membership aid for the pupil as if the  
15 pupil were counted in the district on the supplemental count day of  
16 the preceding school year.

17           (aa) Full-time equated memberships for preprimary-aged special  
18 education pupils who are not enrolled in kindergarten but are  
19 enrolled in a classroom program under R 340.1754 of the Michigan  
20 administrative code shall be determined by dividing the number of  
21 class hours scheduled and provided per year by 450. Full-time  
22 equated memberships for preprimary-aged special education pupils  
23 who are not enrolled in kindergarten but are receiving nonclassroom  
24 services under R 340.1755 of the Michigan administrative code shall  
25 be determined by dividing the number of hours of service scheduled  
26 and provided per year per pupil by 180.

27           (bb) A pupil of a district that begins its school year after

1 Labor day who is enrolled in an intermediate district program that  
2 begins before Labor day shall not be considered to be less than a  
3 full-time pupil solely due to instructional time scheduled but not  
4 attended by the pupil before Labor day.

5 (cc) For the first year in which a pupil is counted in  
6 membership on the pupil membership count day in a middle college  
7 program described in section 64, the membership is the average of  
8 the full-time equated membership on the pupil membership count day  
9 and on the supplemental count day for the current school year, as  
10 determined by the department. If a pupil was counted by the  
11 operating district on the immediately preceding supplemental count  
12 day, the pupil shall be excluded from the district's immediately  
13 preceding supplemental count for purposes of determining the  
14 district's membership.

15 (dd) A district that educates a pupil who attends a United  
16 States Olympic education center may count the pupil in membership  
17 regardless of whether or not the pupil is a resident of this state.

18 (5) "Public school academy" means a public school academy,  
19 urban high school academy, **SCHOOL OF EXCELLENCE**, or strict  
20 discipline academy operating under the revised school code.

21 (6) "Pupil" means a person in membership in a public school. A  
22 district must have the approval of the pupil's district of  
23 residence to count the pupil in membership, except approval by the  
24 pupil's district of residence is not required for any of the  
25 following:

26 (a) A nonpublic part-time pupil enrolled in grades 1 to 12 in  
27 accordance with section 166b.

1 (b) A pupil receiving 1/2 or less of his or her instruction in  
2 a district other than the pupil's district of residence.

3 (c) A pupil enrolled in a public school academy or university  
4 school.

5 (d) A pupil enrolled in a district other than the pupil's  
6 district of residence under an intermediate district schools of  
7 choice pilot program as described in section 91a or former section  
8 91 if the intermediate district and its constituent districts have  
9 been exempted from section 105.

10 (e) A pupil enrolled in a district other than the pupil's  
11 district of residence if the pupil is enrolled in accordance with  
12 section 105 or 105c.

13 (f) A pupil who has made an official written complaint or  
14 whose parent or legal guardian has made an official written  
15 complaint to law enforcement officials and to school officials of  
16 the pupil's district of residence that the pupil has been the  
17 victim of a criminal sexual assault or other serious assault, if  
18 the official complaint either indicates that the assault occurred  
19 at school or that the assault was committed by 1 or more other  
20 pupils enrolled in the school the pupil would otherwise attend in  
21 the district of residence or by an employee of the district of  
22 residence. A person who intentionally makes a false report of a  
23 crime to law enforcement officials for the purposes of this  
24 subdivision is subject to section 411a of the Michigan penal code,  
25 1931 PA 328, MCL 750.411a, which provides criminal penalties for  
26 that conduct. As used in this subdivision:

27 (i) "At school" means in a classroom, elsewhere on school

1 premises, on a school bus or other school-related vehicle, or at a  
2 school-sponsored activity or event whether or not it is held on  
3 school premises.

4 (ii) "Serious assault" means an act that constitutes a felony  
5 violation of chapter XI of the Michigan penal code, 1931 PA 328,  
6 MCL 750.81 to 750.90g, or that constitutes an assault and  
7 infliction of serious or aggravated injury under section 81a of the  
8 Michigan penal code, 1931 PA 328, MCL 750.81a.

9 (g) A pupil whose district of residence changed after the  
10 pupil membership count day and before the supplemental count day  
11 and who continues to be enrolled on the supplemental count day as a  
12 nonresident in the district in which he or she was enrolled as a  
13 resident on the pupil membership count day of the same school year.

14 (h) A pupil enrolled in an alternative education program  
15 operated by a district other than his or her district of residence  
16 who meets 1 or more of the following:

17 (i) The pupil has been suspended or expelled from his or her  
18 district of residence for any reason, including, but not limited  
19 to, a suspension or expulsion under section 1310, 1311, or 1311a of  
20 the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

21 (ii) The pupil had previously dropped out of school.

22 (iii) The pupil is pregnant or is a parent.

23 (iv) The pupil has been referred to the program by a court.

24 (v) The pupil is enrolled in an alternative or disciplinary  
25 education program described in section 25.

26 (i) A pupil enrolled in the Michigan virtual high school, for  
27 the pupil's enrollment in the Michigan virtual high school.



1 (j) A pupil who is the child of a person who is employed by  
2 the district. As used in this subdivision, "child" includes an  
3 adopted child, stepchild, or legal ward.

4 (k) An expelled pupil who has been denied reinstatement by the  
5 expelling district and is reinstated by another school board under  
6 section 1311 or 1311a of the revised school code, MCL 380.1311 and  
7 380.1311a.

8 (l) A pupil enrolled in a district other than the pupil's  
9 district of residence in a program described in section 64 if the  
10 pupil's district of residence and the enrolling district are both  
11 constituent districts of the same intermediate district.

12 (m) A pupil enrolled in a district other than the pupil's  
13 district of residence who attends a United States Olympic education  
14 center.

15 However, if a district educates pupils who reside in another  
16 district and if the primary instructional site for those pupils is  
17 established by the educating district after 2009-2010 and is  
18 located within the boundaries of that other district, the educating  
19 district must have the approval of that other district to count  
20 those pupils in membership.

21 (7) "Pupil membership count day" of a district or intermediate  
22 district means:

23 (a) Except as provided in subdivision (b), the fourth  
24 Wednesday after Labor day each school year or, for a district or  
25 building in which school is not in session on that Wednesday due to  
26 conditions not within the control of school authorities, with the  
27 approval of the superintendent, the immediately following day on

1 which school is in session in the district or building.

2 (b) For a district or intermediate district maintaining school  
3 during the entire school year, the following days:

4 (i) Fourth Wednesday in July.

5 (ii) Fourth Wednesday after Labor day.

6 (iii) Second Wednesday in February.

7 (iv) Fourth Wednesday in April.

8 (8) "Pupils in grades K to 12 actually enrolled and in regular  
9 daily attendance" means pupils in grades K to 12 in attendance and  
10 receiving instruction in all classes for which they are enrolled on  
11 the pupil membership count day or the supplemental count day, as  
12 applicable. Except as otherwise provided in this subsection, a  
13 pupil who is absent from any of the classes in which the pupil is  
14 enrolled on the pupil membership count day or supplemental count  
15 day and who does not attend each of those classes during the 10  
16 consecutive school days immediately following the pupil membership  
17 count day or supplemental count day, except for a pupil who has  
18 been excused by the district, shall not be counted as 1.0 full-time  
19 equated membership. A pupil who is excused from attendance on the  
20 pupil membership count day or supplemental count day and who fails  
21 to attend each of the classes in which the pupil is enrolled within  
22 30 calendar days after the pupil membership count day or  
23 supplemental count day shall not be counted as 1.0 full-time  
24 equated membership. In addition, a pupil who was enrolled and in  
25 attendance in a district, intermediate district, or public school  
26 academy before the pupil membership count day or supplemental count  
27 day of a particular year but was expelled or suspended on the pupil

1 membership count day or supplemental count day shall only be  
2 counted as 1.0 full-time equated membership if the pupil resumed  
3 attendance in the district, intermediate district, or public school  
4 academy within 45 days after the pupil membership count day or  
5 supplemental count day of that particular year. Pupils not counted  
6 as 1.0 full-time equated membership due to an absence from a class  
7 shall be counted as a prorated membership for the classes the pupil  
8 attended. For purposes of this subsection, "class" means a period  
9 of time in 1 day when pupils and a certificated teacher or legally  
10 qualified substitute teacher are together and instruction is taking  
11 place.

12 (9) "Rule" means a rule promulgated pursuant to the  
13 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
14 24.328.

15 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to  
16 380.1852.

17 (11) "School district of the first class", "first class school  
18 district", and "district of the first class", except in subsection  
19 (6), mean a district that had at least 60,000 pupils in membership  
20 for the immediately preceding fiscal year.

21 (12) "School fiscal year" means a fiscal year that commences  
22 July 1 and continues through June 30.

23 (13) **"SCHOOL OF EXCELLENCE" MEANS A SCHOOL OF EXCELLENCE**  
24 **ESTABLISHED UNDER PART 6E OF THE REVISED SCHOOL CODE.**

25 (14) ~~(13)~~—"State board" means the state board of education.

26 (15) ~~(14)~~—"Superintendent", unless the context clearly refers  
27 to a district or intermediate district superintendent, means the

1 superintendent of public instruction described in section 3 of  
2 article VIII of the state constitution of 1963.

3 (16) ~~(15)~~—"Supplemental count day" means the day on which the  
4 supplemental pupil count is conducted under section 6a.

5 (17) ~~(16)~~—"Tuition pupil" means a pupil of school age  
6 attending school in a district other than the pupil's district of  
7 residence for whom tuition may be charged. Tuition pupil does not  
8 include a pupil who is a special education pupil or a pupil  
9 described in subsection (6)(c) to (m). A pupil's district of  
10 residence shall not require a high school tuition pupil, as  
11 provided under section 111, to attend another school district after  
12 the pupil has been assigned to a school district.

13 (18) ~~(17)~~—"State school aid fund" means the state school aid  
14 fund established in section 11 of article IX of the state  
15 constitution of 1963.

16 (19) ~~(18)~~—"Taxable value" means the taxable value of property  
17 as determined under section 27a of the general property tax act,  
18 1893 PA 206, MCL 211.27a.

19 (20) ~~(19)~~—"Textbook" means a book that is selected and  
20 approved by the governing board of a district and that contains a  
21 presentation of principles of a subject, or that is a literary work  
22 relevant to the study of a subject required for the use of  
23 classroom pupils, or another type of course material that forms the  
24 basis of classroom instruction.

25 (21) ~~(20)~~—"Total state aid" or "total state school aid" means  
26 the total combined amount of all funds due to a district,  
27 intermediate district, or other entity under all of the provisions

1 of this act.

2 (22) ~~(21)~~—"University school" means an instructional program  
3 operated by a public university under section 23 that meets the  
4 requirements of section 23.

5 SEC. 27. (1) BEGINNING WITH 2010-2011, FOR THE FIRST 3 FISCAL  
6 YEARS IN WHICH 1 OR MORE SCHOOLS OF EXCELLENCE LOCATED WITHIN A  
7 DISTRICT ARE OPERATING, IF THE TOTAL NUMBER OF PUPILS WHO RESIDE  
8 WITHIN THE DISTRICT AND WHO ARE COUNTED IN MEMBERSHIP IN ANY SCHOOL  
9 OF EXCELLENCE EXCEEDS 2% OF THE TOTAL MEMBERSHIP OF THAT DISTRICT,  
10 THE DISTRICT IS ELIGIBLE FOR A TRANSITION PAYMENT UNDER THIS  
11 SECTION. THE AMOUNT OF THE PAYMENT SHALL BE CALCULATED AS FOLLOWS:

12 (A) FOR THE FIRST FULL FISCAL YEAR IN WHICH A SCHOOL OF  
13 EXCELLENCE LOCATED WITHIN THE DISTRICT IS EDUCATING PUPILS, THE  
14 AMOUNT OF THE PAYMENT IS THE DISTRICT'S MEMBERSHIP TIMES THE  
15 PRODUCT OF .8 TIMES THE AMOUNT OF THE PER-PUPIL ALLOCATION FOR THE  
16 SCHOOL OF EXCELLENCE, AS CALCULATED UNDER SECTION 20.

17 (B) FOR THE SECOND FULL FISCAL YEAR IN WHICH A SCHOOL OF  
18 EXCELLENCE LOCATED WITHIN THE DISTRICT IS EDUCATING PUPILS, THE  
19 AMOUNT OF THE PAYMENT IS THE DISTRICT'S MEMBERSHIP TIMES THE  
20 PRODUCT OF .6 TIMES THE AMOUNT OF THE PER-PUPIL ALLOCATION FOR THE  
21 SCHOOL OF EXCELLENCE, AS CALCULATED UNDER SECTION 20.

22 (C) FOR THE THIRD FULL FISCAL YEAR IN WHICH A SCHOOL OF  
23 EXCELLENCE LOCATED WITHIN THE DISTRICT IS EDUCATING PUPILS, THE  
24 AMOUNT OF THE PAYMENT IS THE DISTRICT'S MEMBERSHIP TIMES THE  
25 PRODUCT OF .4 TIMES THE AMOUNT OF THE PER-PUPIL ALLOCATION FOR THE  
26 SCHOOL OF EXCELLENCE, AS CALCULATED UNDER SECTION 20.

27 (2) A DISTRICT IS NOT ELIGIBLE FOR A TRANSITION PAYMENT UNDER

1 THIS SECTION FOR MORE THAN THE FIRST 3 FISCAL YEARS THAT A SCHOOL  
2 OF EXCELLENCE LOCATED WITHIN THE DISTRICT IS IN OPERATION. HOWEVER,  
3 IF A NEW SCHOOL OF EXCELLENCE LOCATED IN THE DISTRICT BEGINS  
4 OPERATING AFTER THIS 3-YEAR PERIOD, THE DISTRICT IS ELIGIBLE TO  
5 BEGIN RECEIVING A NEW TRANSITION PAYMENT UNDER THIS SECTION FOR THE  
6 NEW SCHOOL OF EXCELLENCE.

7 Enacting section 1. This amendatory act does not take effect  
8 unless Senate Bill No.\_\_\_\_ or House Bill No. 5616(request no.  
9 05246'09) of the 95th Legislature is enacted into law.