# **HOUSE BILL No. 4562**

April 14, 2011, Introduced by Reps. Jenkins, Foster, Gilbert, Price, Kurtz, Kowall, Denby and Wayne Schmidt and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled

"The state school aid act of 1979,"

by amending section 6 (MCL 388.1606), as amended by 2010 PA 110.

# THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) "Center program" means a program operated by a 2 district or by an intermediate district for special education pupils from several districts in programs for pupils with autism 3 spectrum disorder, pupils with severe cognitive impairment, pupils 4 5 with moderate cognitive impairment, pupils with severe multiple impairments, pupils with hearing impairment, pupils with visual 6 7 impairment, and pupils with physical impairment or other health impairment. Programs for pupils with emotional impairment housed in 8 9 buildings that do not serve regular education pupils also gualify.

Unless otherwise approved by the department, a center program 1 2 either shall serve all constituent districts within an intermediate 3 district or shall serve several districts with less than 50% of the 4 pupils residing in the operating district. In addition, special 5 education center program pupils placed part-time in noncenter programs to comply with the least restrictive environment 6 provisions of section 612 of part B of the individuals with 7 disabilities education act, 20 USC 1412, may be considered center 8 9 program pupils for pupil accounting purposes for the time scheduled 10 in either a center program or a noncenter program.

11 (2) "District and high school graduation rate" means the 12 annual completion and pupil dropout rate that is calculated by the 13 center pursuant to nationally recognized standards.

14 (3) "District and high school graduation report" means a 15 report of the number of pupils, excluding adult participants, in 16 the district for the immediately preceding school year, adjusted 17 for those pupils who have transferred into or out of the district 18 or high school, who leave high school with a diploma or other 19 credential of equal status.

20 (4) "Membership", except as otherwise provided in this act, means for a district, public school academy, university school, or 21 22 intermediate district the sum of the product of .75 times the 23 number of full-time equated pupils in grades K to 12 actually 24 enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of .25 25 26 times the final audited count from the supplemental count day for 27 the immediately preceding school year. BEGINNING IN 2011-2012,

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1 MEMBERSHIP MEANS FOR A DISTRICT, PUBLIC SCHOOL ACADEMY, UNIVERSITY SCHOOL, OR INTERMEDIATE DISTRICT THE NUMBER OF FULL-TIME EQUATED 2 3 PUPILS IN GRADES K TO 12 ACTUALLY ENROLLED AND IN REGULAR DAILY 4 ATTENDANCE ON THE PUPIL MEMBERSHIP COUNT DAY FOR THE IMMEDIATELY 5 PRECEDING SCHOOL YEAR. All pupil counts used in this subsection are 6 as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by 7 transfer and minus pupils lost as defined by rules promulgated by 8 9 the superintendent, and as corrected by a subsequent department 10 audit. For the purposes of this section and section 6a, for a 11 school of excellence that is a cyber school, as defined in section 12 551 of the revised school code, MCL 380.551, and is in compliance 13 with section 553a of the revised school code, MCL 380.553a, a 14 pupil's participation in the cyber school's educational program is 15 considered regular daily attendance. The amount of the foundation allowance for a pupil in membership is determined under section 20. 16 17 In making the calculation of membership, all of the following, as 18 applicable, apply to determining the membership of a district, 19 public school academy, university school, or intermediate district:

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

(b) If a pupil is educated in a district other than the
pupil's district of residence, if the pupil is not being educated
as part of a cooperative education program, if the pupil's district

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of residence does not give the educating district its approval to count the pupil in membership in the educating district, and if the pupil is not covered by an exception specified in subsection (6) to the requirement that the educating district must have the approval of the pupil's district of residence to count the pupil in membership, the pupil shall not be counted in membership in any district.

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

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

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

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

26 (g) A pupil enrolled in a university school shall be counted27 in membership in the university school.

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

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

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(i) If operations begin before the pupil membership count day 7 for the fiscal year, membership is the average number of full-time 8 equated pupils in grades K to 12 actually enrolled and in regular 9 10 daily attendance on the pupil membership count day for the current 11 school year and on the supplemental count day for the current 12 school year, as determined by the department and calculated by 13 adding the number of pupils registered for attendance on the pupil 14 membership count day plus pupils received by transfer and minus 15 pupils lost as defined by rules promulgated by the superintendent, 16 and as corrected by a subsequent department audit, plus the final 17 audited count from the supplemental count day for the current 18 school year, and dividing that sum by 2.

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

(j) If a district is the authorizing body for a public school academy, then, in the first school year in which pupils are counted in membership on the pupil membership count day in the public

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

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

(*l*) Pupils to be counted in membership shall be not less than 5
years of age on December 1 and less than 20 years of age on
September 1 of the school year except as follows:

(i) A special education pupil who is enrolled and receiving instruction in a special education program or service approved by the department, who does not have a high school diploma, and who is less than 26 years of age as of September 1 of the current school year shall be counted in membership.

20 (ii) A pupil who is determined by the department to meet all of21 the following may be counted in membership:

(A) Is enrolled in a public school academy or an alternative
education high school diploma program, that is primarily focused on
educating homeless pupils and that is located in a city with a
population of more than 750,000.

26 (B) Had dropped out of school for more than 1 year and has re-27 entered school.

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(C) Is less than 22 years of age as of September 1 of the
 current school year.

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3 (m) An individual who has obtained a high school diploma shall 4 not be counted in membership. An individual who has obtained a 5 general educational development (G.E.D.) certificate shall not be 6 counted in membership. An individual participating in a job training program funded under former section 107a or a jobs program 7 funded under former section 107b, administered by the Michigan 8 9 strategic fund or the department of energy, labor, and economic 10 growth, or participating in any successor of either of those 2 11 programs, shall not be counted in membership.

12 (n) If a pupil counted in membership in a public school 13 academy is also educated by a district or intermediate district as 14 part of a cooperative education program, the pupil shall be counted 15 in membership only in the public school academy unless a written 16 agreement signed by all parties designates the party or parties in 17 which the pupil shall be counted in membership, and the 18 instructional time scheduled for the pupil in the district or 19 intermediate district shall be included in the full-time equated 20 membership determination under subdivision (q). However, for pupils 21 receiving instruction in both a public school academy and in a 22 district or intermediate district but not as a part of a 23 cooperative education program, the following apply:

(i) If the public school academy provides instruction for at
least 1/2 of the class hours specified in subdivision (q), the
public school academy shall receive as its prorated share of the
full-time equated membership for each of those pupils an amount

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

(ii) If the public school academy provides instruction for less 7 than 1/2 of the class hours specified in subdivision (q), the 8 9 district or intermediate district providing the remainder of the 10 hours of instruction shall receive as its prorated share of the 11 full-time equated membership for each of those pupils an amount 12 equal to 1 times the product of the hours of instruction the 13 district or intermediate district provides divided by the number of 14 hours specified in subdivision (q) for full-time equivalency, and 15 the remainder of the full-time membership for each of those pupils shall be allocated to the public school academy. 16

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

(p) The department shall give a uniform interpretation offull-time and part-time memberships.

(q) The number of class hours used to calculate full-time equated memberships shall be consistent with section 101(3). In determining full-time equated memberships for pupils who are enrolled in a postsecondary institution, a pupil shall not be

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considered to be less than a full-time equated pupil solely because
 of the effect of his or her postsecondary enrollment, including
 necessary travel time, on the number of class hours provided by the
 district to the pupil.

5 (r) Except as otherwise provided in this subdivision, full-6 time equated memberships for pupils in kindergarten shall be 7 determined by dividing the number of class hours scheduled and 8 provided per year per kindergarten pupil by a number equal to 1/2 9 the number used for determining full-time equated memberships for 10 pupils in grades 1 to 12.

(s) For a district, university school, or public school 11 12 academy that has pupils enrolled in a grade level that was not 13 offered by the district, university school, or public school 14 academy in the immediately preceding school year, the number of 15 pupils enrolled in that grade level to be counted in membership is 16 the average of the number of those pupils enrolled and in regular 17 daily attendance on the pupil membership count day and the 18 supplemental count day of the current school year, as determined by 19 the department. Membership shall be calculated by adding the number 20 of pupils registered for attendance in that grade level on the pupil membership count day plus pupils received by transfer and 21 22 minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by subsequent department audit, 23 24 plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2. 25

(t) A pupil enrolled in a cooperative education program may becounted in membership in the pupil's district of residence with the

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1 written approval of all parties to the cooperative agreement.

(u) If, as a result of a disciplinary action, a district 2 3 determines through the district's alternative or disciplinary 4 education program that the best instructional placement for a pupil 5 is in the pupil's home or otherwise apart from the general school population, if that placement is authorized in writing by the 6 district superintendent and district alternative or disciplinary 7 education supervisor, and if the district provides appropriate 8 9 instruction as described in this subdivision to the pupil at the 10 pupil's home or otherwise apart from the general school population, 11 the district may count the pupil in membership on a pro rata basis, 12 with the proration based on the number of hours of instruction the district actually provides to the pupil divided by the number of 13 14 hours specified in subdivision (q) for full-time equivalency. For 15 the purposes of this subdivision, a district shall be considered to be providing appropriate instruction if all of the following are 16 17 met:

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

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

25 (*iii*) Course content is comparable to that in the district's26 alternative education program.

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(iv) Credit earned is awarded to the pupil and placed on the

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1 pupil's transcript.

2 (v) A pupil enrolled in an alternative or disciplinary
3 education program described in section 25 shall be counted in
4 membership in the district or public school academy that is
5 educating the pupil.

6 (w) If a pupil was enrolled in a public school academy on the 7 pupil membership count day, if the public school academy's contract 8 with its authorizing body is revoked or the public school academy 9 otherwise ceases to operate, and if the pupil enrolls in a district 10 within 45 days after the pupil membership count day, the department 11 shall adjust the district's pupil count for the pupil membership 12 count day to include the pupil in the count.

(x) For a public school academy that has been in operation for 13 14 at least 2 years and that suspended operations for at least 1 15 semester and is resuming operations, membership is the sum of the product of .75 times the number of full-time equated pupils in 16 17 grades K to 12 actually enrolled and in regular daily attendance on 18 the first pupil membership count day or supplemental count day, 19 whichever is first, occurring after operations resume, plus the 20 product of .25 times the final audited count from the most recent 21 pupil membership count day or supplemental count day that occurred 22 before suspending operations, as determined by the superintendent. 23 (y) If a district's membership for a particular fiscal year, 24 as otherwise calculated under this subsection, would be less than 1,550 pupils and the district has 4.5 or fewer pupils per square 25 26 mile, as determined by the department, and, beginning in 2007-2008, 27 if the district does not receive funding under section 22d(2), the

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district's membership shall be considered to be the membership 1 figure calculated under this subdivision. If a district educates 2 and counts in its membership pupils in grades 9 to 12 who reside in 3 4 a contiguous district that does not operate grades 9 to 12 and if 1 5 or both of the affected districts request the department to use the determination allowed under this sentence, the department shall 6 include the square mileage of both districts in determining the 7 number of pupils per square mile for each of the districts for the 8 9 purposes of this subdivision. The membership figure calculated 10 under this subdivision is the greater of the following:

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

16 (*ii*) The district's actual membership for that fiscal year as17 otherwise calculated under this subsection.

18 (z) If a public school academy that is not in its first or 19 second year of operation closes at the end of a school year and 20 does not reopen for the next school year, the department shall 21 adjust the membership count of the district in which a former pupil 22 of the public school academy enrolls and is in regular daily 23 attendance for the next school year to ensure that the district 24 receives the same amount of membership aid for the pupil as if the pupil were counted in the district on the supplemental count day of 25 26 the preceding school year.

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(aa) Full-time equated memberships for preprimary-aged special

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education pupils who are not enrolled in kindergarten but are 1 2 enrolled in a classroom program under R 340.1754 of the Michigan 3 administrative code shall be determined by dividing the number of 4 class hours scheduled and provided per year by 450. Full-time 5 equated memberships for preprimary-aged special education pupils 6 who are not enrolled in kindergarten but are receiving nonclassroom services under R 340.1755 of the Michigan administrative code shall 7 be determined by dividing the number of hours of service scheduled 8 9 and provided per year per pupil by 180.

10 (bb) A pupil of a district that begins its school year after
11 Labor day who is enrolled in an intermediate district program that
12 begins before Labor day shall not be considered to be less than a
13 full-time pupil solely due to instructional time scheduled but not
14 attended by the pupil before Labor day.

15 (cc) For the first year in which a pupil is counted in 16 membership on the pupil membership count day in a middle college program described in section 64, the membership is the average of 17 18 the full-time equated membership on the pupil membership count day 19 and on the supplemental count day for the current school year, as 20 determined by the department. If a pupil was counted by the 21 operating district on the immediately preceding supplemental count 22 day, the pupil shall be excluded from the district's immediately 23 preceding supplemental count for purposes of determining the 24 district's membership.

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

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(ee) A pupil enrolled in a district other than the pupil's
 district of residence pursuant to section 1148(2) of the revised
 school code, MCL 380.1148, shall be counted in the educating
 district.

5 (5) "Public school academy" means that term as defined in the6 revised school code.

7 (6) "Pupil" means a person in membership in a public school. A
8 district must have the approval of the pupil's district of
9 residence to count the pupil in membership, except approval by the
10 pupil's district of residence is not required for any of the
11 following:

12 (a) A nonpublic part-time pupil enrolled in grades 1 to 12 in13 accordance with section 166b.

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

16 (c) A pupil enrolled in a public school academy or university17 school.

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

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

26 (f) A pupil who has made an official written complaint or27 whose parent or legal guardian has made an official written

complaint to law enforcement officials and to school officials of 1 the pupil's district of residence that the pupil has been the 2 victim of a criminal sexual assault or other serious assault, if 3 4 the official complaint either indicates that the assault occurred 5 at school or that the assault was committed by 1 or more other pupils enrolled in the school the pupil would otherwise attend in 6 the district of residence or by an employee of the district of 7 residence. A person who intentionally makes a false report of a 8 9 crime to law enforcement officials for the purposes of this 10 subdivision is subject to section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, which provides criminal penalties for 11 12 that conduct. As used in this subdivision:

13 (i) "At school" means in a classroom, elsewhere on school 14 premises, on a school bus or other school-related vehicle, or at a 15 school-sponsored activity or event whether or not it is held on 16 school premises.

17 (*ii*) "Serious assault" means an act that constitutes a felony
18 violation of chapter XI of the Michigan penal code, 1931 PA 328,
19 MCL 750.81 to 750.90g, or that constitutes an assault and
20 infliction of serious or aggravated injury under section 81a of the
21 Michigan penal code, 1931 PA 328, MCL 750.81a.

(g) A pupil whose district of residence changed after the pupil membership count day and before the supplemental count day and who continues to be enrolled on the supplemental count day as a nonresident in the district in which he or she was enrolled as a resident on the pupil membership count day of the same school year. (h) A pupil enrolled in an alternative education program

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operated by a district other than his or her district of residence
 who meets 1 or more of the following:

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

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

8 (*iii*) The pupil is pregnant or is a parent.

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

10 (v) The pupil is enrolled in an alternative or disciplinary11 education program described in section 25.

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

(j) A pupil who is the child of a person who works at the district or who is the child of a person who worked at the district as of the time the pupil first enrolled in the district but who no longer works at the district due to a workforce reduction. As used in this subdivision, "child" includes an adopted child, stepchild, or legal ward.

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

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

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

4 (n) A pupil enrolled in a district other than the pupil's
5 district of residence pursuant to section 1148(2) of the revised
6 school code, MCL 380.1148.

7 (o) A pupil who enrolls in a district other than the pupil's
8 district of residence as a result of the pupil's school not making
9 adequate yearly progress under the no child left behind act of
10 2001, Public Law 107-110.

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

17 (7) "Pupil membership count day" of a district or intermediate18 district means:

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

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

27 (i) Fourth Wednesday in July.

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(*ii*) Fourth Wednesday after Labor day.

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(*iii*) Second Wednesday in February.

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(*iv*) Fourth Wednesday in April.

4 (8) "Pupils in grades K to 12 actually enrolled and in regular 5 daily attendance" means pupils in grades K to 12 in attendance and 6 receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as 7 applicable. Except as otherwise provided in this subsection, a 8 9 pupil who is absent from any of the classes in which the pupil is 10 enrolled on the pupil membership count day or supplemental count 11 day and who does not attend each of those classes during the 10 12 consecutive school days immediately following the pupil membership 13 count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time 14 15 equated membership. A pupil who is excused from attendance on the 16 pupil membership count day or supplemental count day and who fails 17 to attend each of the classes in which the pupil is enrolled within 18 30 calendar days after the pupil membership count day or 19 supplemental count day shall not be counted as 1.0 full-time 20 equated membership. In addition, a pupil who was enrolled and in 21 attendance in a district, intermediate district, or public school 22 academy before the pupil membership count day or supplemental count 23 day of a particular year but was expelled or suspended on the pupil 24 membership count day or supplemental count day shall only be 25 counted as 1.0 full-time equated membership if the pupil resumed 26 attendance in the district, intermediate district, or public school 27 academy within 45 days after the pupil membership count day or

supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.

8 (9) "Rule" means a rule promulgated pursuant to the
9 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
10 24.328.

11 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to12 380.1852.

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

17 (12) "School fiscal year" means a fiscal year that commences18 July 1 and continues through June 30.

19 (13) "State board" means the state board of education.

(14) "Superintendent", unless the context clearly refers to a
district or intermediate district superintendent, means the
superintendent of public instruction described in section 3 of
article VIII of the state constitution of 1963.

24 (15) "Supplemental count day" means the day on which the25 supplemental pupil count is conducted under section 6a.

26 (16) "Tuition pupil" means a pupil of school age attending27 school in a district other than the pupil's district of residence

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for whom tuition may be charged. Tuition pupil does not include a pupil who is a special education pupil or a pupil described in subsection (6)(c) to (o). A pupil's district of residence shall not require a high school tuition pupil, as provided under section 111, to attend another school district after the pupil has been assigned to a school district.

7 (17) "State school aid fund" means the state school aid fund
8 established in section 11 of article IX of the state constitution
9 of 1963.

10 (18) "Taxable value" means the taxable value of property as
11 determined under section 27a of the general property tax act, 1893
12 PA 206, MCL 211.27a.

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

19 (20) "Total state aid" or "total state school aid" means the 20 total combined amount of all funds due to a district, intermediate 21 district, or other entity under all of the provisions of this act.

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

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