388.1625f Payments to strict discipline academies; definitions.

Sec. 25f. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed $1,600,000.00 for 2019-2020 for payments to strict discipline academies established under sections 1311b to 1311m of the revised school code, MCL 380.1311b to 380.1311m, as provided under this section.

(2) In order to receive funding under this section, a strict discipline academy shall first comply with section 25e and use the pupil transfer process under that section for changes in enrollment as prescribed under that section.

(3) The total amount allocated to a strict discipline academy under this section must first be distributed as the lesser of the strict discipline academy's added cost or the department's approved per-pupil allocation for the strict discipline academy. Any funds remaining after the first distribution must be distributed by prorating on an equal per-pupil membership basis, not to exceed a strict discipline academy’s added cost. However, the sum of the amounts received by a strict discipline academy under this section and under section 24 must not exceed the product of the strict discipline academy's per-pupil allocation calculated under section 20 multiplied by the strict discipline academy's full-time equated membership. The department shall allocate funds to strict discipline academies under this section on a monthly basis. For the purposes of this subsection:

(a) "Added cost" means 100% of the added cost each fiscal year for educating all pupils enrolled and in regular daily attendance at a strict discipline academy. Added cost must be computed by deducting all other revenue received under this article for pupils described in this subsection from total costs, as approved by the department, in whole or in part, for educating those pupils in a strict discipline academy. The department shall include all costs including, but not limited to, educational costs, insurance, management fees, technology costs, legal fees, auditing fees, interest, pupil accounting costs, and any other administrative costs necessary to operate the program or to comply with statutory requirements. Costs reimbursed by federal funds are not included.

(b) "Department's approved per-pupil allocation" for a strict discipline academy is determined by dividing the total amount allocated under this subsection for a fiscal year by the full-time equated membership total for all pupils approved by the department to be funded under this subsection for that fiscal year for the strict discipline academy.

(4) Special education pupils funded under section 53a are not funded under this section.

(5) If the funds allocated under this section are insufficient to fully fund the adjustments under subsection (3), the department shall prorate payments under this section on an equal per-pupil basis.

(6) The department shall make payments to districts under this section according to the payment schedule under section 17b.