THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1606b Enrollment of nonresident pupil; counting pupil in membership; adjustment of educating district's pupil count.

Sec. 6b. (1) A district enrolling a nonresident pupil with the approval of the pupil's district of residence may count the pupil in membership in a school year if the approval of the pupil's district of residence is received before the end of that school year.

(2) If the approval described in subsection (1) is received by the educating district at any time before the end of its school year, the department shall adjust the educating district's pupil count for the pupil membership count day or the supplemental count day of that school year, or both as necessary to ensure that the pupil is counted in membership in the educating district for those pupil counts for which the pupil was enrolled and in attendance.

History: Add. 1997, Act 24, Imd. Eff. June 16, 1997.

Compiler's note: Former MCL 388.1606b, which pertained to administration of alternative education, was repealed by Act 130 of 1995, Eff. Oct. 1, 1995.

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1607 Expenditures included in costs for school operating purposes.

Sec. 7. Costs for school operating purposes include all expenditures necessary to carry out the powers of the district or intermediate district under the revised school code.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1996, Act 300, Eff. Oct. 1, 1996.

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1611f Payments to non-plaintiff districts pursuant to Durant v State of Michigan; payments for fiscal years ending September 30, 2007 through September 30, 2008; submission of waiver resolution; creation of obligation or liability; offer of settlement and compromise; payment date; use of payments; form and substance of resolution; early intervening program.

Sec. 11f. (1) From the appropriations under section 11, there is allocated for the purposes of this section an amount not to exceed $32,000,000.00 for the fiscal year ending September 30, 2007 and for each succeeding fiscal year through the fiscal year ending September 30, 2008. Payments under this section will cease after September 30, 2008. These allocations are for paying the amounts described in subsection (4) to districts and intermediate districts, other than those receiving a lump sum payment under subsection (2), that were not plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492 and that, on or before March 2, 1998, submitted to the state treasurer a board resolution waiving any right or interest the district or intermediate district has or may have in any claim or litigation based on or arising out of any claim or potential claim through September 30, 1997 that is or was similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan. The waiver resolution shall be in form and substance as required under subsection (7). The state treasurer is authorized to accept such a waiver resolution on behalf of this state. The amounts described in this subsection represent offers of settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this subsection.

(2) In addition to any other money appropriated under this act, there was appropriated from the state school aid fund an amount not to exceed $1,700,000.00 for the fiscal year ending September 30, 1999. This appropriation was for paying the amounts described in this subsection to districts and intermediate districts that were not plaintiffs in the consolidated cases known as Durant v State of Michigan; that, on or before March 2, 1998, submitted to the state treasurer a board resolution waiving any right or interest the district or intermediate district had or may have had in any claim or litigation based on or arising out of any claim or potential claim through September 30, 1997 that is or was similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan; and for which the total amount listed in section 11h and paid under this section was less than $75,000.00. For a district or intermediate district qualifying for a payment under this subsection, the entire amount listed for the district or intermediate district in section 11h was paid in a lump sum on November 15, 1998 or on the next business day following that date. The amounts paid under this subsection represent offers of settlement and compromise of any claim or claims that were or

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

could have been asserted by these districts and intermediate districts, as described in this subsection.

(3) This section does not create any obligation or liability of this state to any district or intermediate district that does not submit a waiver resolution described in this section. This section, any other provision of this act, and section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, are not intended to admit liability or waive any defense that is or would be available to this state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district.

(4) The amount paid each fiscal year to each district or intermediate district under subsection (1) shall be 1/20 of the total amount listed in section 11h for each listed district or intermediate district that qualifies for a payment under subsection (1). The amounts listed in section 11h and paid in part under this subsection and in a lump sum under subsection (2) are offers of settlement and compromise to each of these districts or intermediate districts to resolve, in their entirety, any claim or claims that these districts or intermediate districts may have asserted for violations of section 29 of article IX of the state constitution of 1963 through September 30, 1997, which claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan. This section, any other provision of this act, and section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, shall not be construed to constitute an admission of liability to the districts or intermediate districts listed in section 11h or a waiver of any defense that is or would have been available to the state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district.

(5) The entire amount of each payment under subsection (1) each fiscal year shall be paid on November 15 of the applicable fiscal year or on the next business day following that date.

(6) Funds paid to a district or intermediate district under this section shall be used only for textbooks, electronic instructional material, software, technology, infrastructure or infrastructure improvements, school buses, school security, training for technology, an early intervening program described in subsection (8), or to pay debt service on voter-approved bonds issued by the district or intermediate district before the effective date of this section. For intermediate districts only, funds paid under this section may also be used for other nonrecurring instructional expenditures including, but not limited to, nonrecurring instructional expenditures for vocational education, or for debt service for acquisition of technology for academic support services. Funds received by an intermediate district under this section may be used for projects conducted for the benefit of its constituent districts at the discretion of the intermediate board. To the extent payments under this section are used by a district or intermediate district to pay debt service on debt payable from millage revenues, and to the extent permitted by law, the district or intermediate district may make a corresponding reduction in the number of mills levied for that debt service.

(7) The resolution to be adopted and submitted by a district or intermediate district under this section and section 11g shall read as follows:

"Whereas, the board of _____ (name of district or intermediate district) desires to settle and compromise, in their entirety, any claim or claims that the district (or intermediate district) has or had for violations of section 29 of article IX of the state constitution of 1963, which claim or claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492.

Whereas, the district (or intermediate district) agrees to settle and compromise these claims for the consideration described in sections 11f and 11g of the state school aid act of 1979, 1979 PA 94, MCL 388.1611f and 388.1611g, and in the amount specified for the district (or intermediate district) in section 11h of the state school aid act of 1979, 1979 PA 94, MCL 388.1611h.

Whereas, the board of _____ (name of district or intermediate district) is authorized to adopt this resolution.

Now, therefore, be it resolved as follows:

1. The board of _____ (name of district or intermediate district) waives any right or interest it may have in any claim or potential claim through September 30, 1997 relating to the amount of funding the district or intermediate district is, or may have been, entitled to receive under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, or any other source of state funding, by reason of the application of section 29 of article IX of the state constitution of 1963, which claims or potential claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492.

2. The board of _____ (name of district or intermediate district) directs its secretary to submit a certified copy of this resolution to the state treasurer no later than 5 p.m. eastern standard time on March 2, 1998, and agrees that it will not take any action to amend or rescind this resolution.

3. The board of _____ (name of district or intermediate district) expressly agrees and understands that, if it takes any action to amend or rescind this resolution, the state, its agencies, employees,

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

and agents shall have available to them any privilege, immunity, and/or defense that would otherwise have been available had the claims or potential claims been actually litigated in any forum.

4. This resolution is contingent on continued payments by the state each fiscal year as determined under sections 11f and 11g of the state school aid act of 1979, 1979 PA 94, MCL 388.1611f and 388.1611g. However, this resolution shall be an irrevocable waiver of any claim to amounts actually received by the school district or intermediate school district under sections 11f and 11g of the state school aid act of 1979.".

(8) An early intervening program that uses funds received under this section shall meet either or both of the following:

(a) Shall monitor individual pupil learning for pupils in grades K to 3 and provide specific support or learning strategies to pupils in grades K to 3 as early as possible in order to reduce the need for special education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) Shall provide early intervening strategies for pupils in grades K to 3 using school-wide systems of academic and behavioral supports and shall be scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A school-wide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

History: Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 119, Imd. Eff. Apr. 14, 2006;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1611g Payments to non-plaintiff districts pursuant to Durant v State of Michigan; payments for fiscal years ending September 30, 2007 through September 30, 2013; waiver resolution; offers of settlement and compromise; creation of obligation or liability; calculation of amount; payment date; use of funds.

Sec. 11g. (1) From the appropriation in section 11, there is allocated for this section an amount not to exceed $34,961,000.00 for the fiscal year ending September 30, 2007. There is allocated for this section an amount not to exceed $35,000,000.00 for each succeeding fiscal year through the fiscal year ending September 30, 2013. Payments under this section will cease after September 30, 2013. These allocations are for paying the amounts described in subsection (3) to districts and intermediate districts, other than those

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

receiving a lump-sum payment under section 11f(2), that were not plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492 and that, on or before March 2, 1998, submitted to the state treasurer a waiver resolution described in section 11f. The amounts paid under this section represent offers of settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this section.

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

(3) The amount paid each fiscal year to each district or intermediate district under this section shall be the sum of the following:

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

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

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

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

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

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

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

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

History: Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Imd. Eff. Aug. 11, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1611h Amounts to districts for settlement, compromise, and resolution of claims pursuant to Durant v State of Michigan; section not to be construed as admission of liability or waiver of defense.

Sec. 11h. (1) For the purposes of sections 11f and 11g, the following amounts are offered to each district or intermediate district to settle, compromise, and resolve, in their entirety, any claim or claims that those districts or intermediate districts may have asserted for violations of section 29 of article IX of the state constitution of 1963 through September 30, 1997, which claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492:

CODE	NAME		AMOUNT
02010	Autrain-Onota Public Schools	$	14,622
02020	Burt Township School District	$	6,744
02070	Munising Public Schools	$	185,461
02080	Superior Central School District	$	96,734
03000	Allegan Intermediate District	$	648,801
03010	Plainwell Community Schools	$	741,425
03020	Otsego Public Schools	$	540,058
03030	Allegan Public Schools	$	926,426
03040	Wayland Union Schools	$	731,677
03050	Fennville Public Schools	$	579,056
03060	Martin Public Schools	$	139,670
03070	Hopkins Public Schools	$	255,685
03100	Hamilton Community Schools	$	401,023
03440	Ganges School District #4	$	2,201
04000	Alpena-Montmorency-Alcona Intermediate	$	726,402
04010	Alpena Public Schools	$	1,042,911
05010	Alba Public Schools	$	42,367
05035	Central Lake Public Schools	$	69,082
05040	Bellaire Public Schools	$	167,614
05060	Elk Rapids Schools	$	357,615
05065	Ellsworth Community Schools	$	21,150
05070	Mancelona Public Schools	$	285,764
06010	Arenac Eastern School District	$	79,078
06050	Standish Sterling School District	$	317,341
07020	Baraga Township School District	$	216,490
07040	L'Anse Area Schools	$	263,107
08000	Barry Intermediate District	$	390,738
08010	Delton-Kellogg School District	$	254,518
08030	Hastings Area School District	$	615,970
08050	Thornapple-Kellogg School District	$	794,355
09000	Bay Arenac Intermediate District	$	3,690,121
09010	Bay City School District	$	2,957,596
09030	Bangor Township Schools	$	690,490
09090	Pinconning Area Schools	$	437,605
10015	Benzie County Central Schools	$	469,507
10025	Frankfort-Elberta Area Schools	$	74,090
11000	Berrien Intermediate District	$	4,488,648
11010	Benton Harbor Area Schools	$	1,588,343
11030	Lakeshore School District	$	505,985
11160	Galien Township School District	$	148,305
11200	New Buffalo Area School District	$	295,255

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

11210	Brandywine Public School District	$	430,713
11240	Berrien Springs Public School District	$	1,020,853
11250	Eau Claire Public Schools	$	295,326
11300	Niles Community School District	$	1,886,362
11310	Buchanan Community School District	$	415,327
11320	Watervliet School District	$	333,411
11330	Coloma Community Schools	$	518,321
11670	Hagar Township School District #6	$	3,558
12000	Branch Intermediate District	$	1,591,244
12010	Coldwater Community Schools	$	533,753
12020	Bronson Community School District	$	100,766
12040	Quincy Community School District	$	118,640
13000	Calhoun Intermediate District	$	2,099,031
13010	Albion Public Schools	$	682,812
13020	Battle Creek Public Schools	$	4,924,981
13050	Athens Area Schools	$	239,614
13070	Harper Creek Community Schools	$	737,397
13080	Homer Community Schools	$	243,747
13090	Lakeview School District	$	672,056
13095	Mar Lee School District	$	22,341
13110	Marshall Public Schools	$	499,126
13120	Pennfield School District	$	295,615
13130	Tekonsha Community Schools	$	84,152
13135	Union City Community School District	$	261,232
14000	Lewis Cass Intermediate District	$	1,156,252
14010	Cassopolis Public Schools	$	359,167
14020	Dowagiac Union Schools	$	886,692
14030	Edwardsburg Public Schools	$	278,671
14050	Marcellus Community Schools	$	133,119
15000	Charlevoix Emmet Intermediate District	$	2,656,494
15010	Beaver Island Community Schools	$	5,291
15020	Boyne City Public School District	$	340,838
15030	Boyne Falls Public School District	$	46,285
15060	East Jordan Public School District	$	124,290
16000	Cheboygan Otsego Presque Isle ISD	$	484,651
16015	Cheboygan Area Schools	$	600,684
16050	Inland Lakes School District	$	121,570
16070	Mackinaw City Public Schools	$	10,133
16100	Wolverine Community School District	$	36,114
17000	Eastern Upper Peninsula ISD	$	686,688
17010	Sault Ste Marie Area Schools	$	1,375,408
17050	Detour Area Schools	$	91,341
17090	Pickford Public Schools	$	50,020
17110	Rudyard Area Schools	$	167,700
17140	Brimley Area Schools	$	339,116
17160	Whitefish Schools	$	7,565
18000	Clare Gladwin Intermediate District	$	824,976
18010	Clare Public Schools	$	283,169
18020	Farwell Area Schools	$	435,856
18060	Harrison Community Schools	$	548,716
19000	Clinton Intermediate District	$	1,408,672
19010	Dewitt Public Schools	$	460,423
19070	Fowler Public Schools	$	73,794
19100	Bath Community Schools	$	207,492
19120	Ovid Elsie Area Schools	$	421,074
19125	Pewamo Westphalia Community Schools	$	123,323
19140	St. Johns Public Schools	$	916,394
20015	Crawford Ausable Schools	$	400,397

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

21000	Delta Schoolcraft Intermediate District	$	751,556
21010	Escanaba Area Public Schools	$	970,743
21025	Gladstone Area Schools	$	394,007
21060	Rapid River Public Schools	$	95,894
21065	Big Bay De Noc School District	$	76,026
21090	Bark River Harris School District	$	157,932
21135	Mid Peninsula School District	$	70,668
22000	Dickinson-Iron Intermediate District	$	886,487
22010	Iron Mountain City School District	$	235,977
22025	Norway Vulcan Area Schools	$	106,885
22030	Breitung Township School District	$	373,341
22045	North Dickinson County School District	$	108,610
23000	Eaton Intermediate District	$	1,122,375
23010	Bellevue Community School District	$	259,295
23030	Charlotte Public Schools	$	931,778
23050	Eaton Rapids Public Schools	$	933,405
23060	Grand Ledge Public Schools	$	1,871,628
23065	Maple Valley School District	$	406,606
23080	Olivet Community Schools	$	273,708
23090	Potterville Public Schools	$	223,936
24020	Harbor Springs School District	$	129,569
24030	Littlefield Public School District	$	79,810
24040	Pellston Public School District	$	87,279
24070	Petoskey Public Schools	$	324,563
25000	Genesee Intermediate District	$	6,300,676
25010	Flint City School District	$	18,747,097
25040	Mt. Morris Consolidated Schools	$	1,121,625
25060	Bendle Public Schools	$	404,192
25070	Genesee School District	$	231,806
25100	Fenton Area Public Schools	$	1,111,528
25110	Kearsley Community Schools	$	947,009
25120	Flushing Community Schools	$	973,174
25130	Atherton Community School District	$	299,766
25140	Davison Community Schools	$	1,194,861
25150	Clio Area School District	$	861,180
25180	Swartz Creek Community Schools	$	1,281,780
25200	Lake Fenton Schools	$	459,138
25210	Westwood Heights School District	$	433,487
25230	Bentley Community School District	$	416,919
25240	Beecher Community School District	$	1,684,881
25250	Linden Community School District	$	693,553
25260	Montrose Community Schools	$	803,839
25280	Lakeville Community School District	$	821,048
26010	Beaverton Rural Schools	$	401,648
26040	Gladwin Community Schools	$	427,002
27000	Gogebic Ontonagon Intermediate District	$	558,679
27010	Bessemer City School District	$	93,392
27020	Ironwood Area Schools	$	358,358
27060	Marenisco School District	$	13,053
27070	Wakefield Township School District	$	76,782
27080	Watersmeet Township School District	$	49,036
28000	Traverse Bay Intermediate District	$	4,179,332
28010	Traverse City School District	$	2,902,639
28035	Buckley Community School District	$	85,755
28090	Kingsley Area School	$	233,898
29000	Gratiot-Isabella RESD	$	470,134
29010	Alma Public Schools	$	694,386
29020	Ashley Community Schools	$	74,662

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

29040	Breckenridge Community Schools	$	304,118
29050	Fulton Schools	$	149,274
29060	Ithaca Public Schools	$	471,693
29100	St. Louis Public Schools	$	421,142
30000	Hillsdale Intermediate District	$	1,766,059
30010	Camden Frontier Schools	$	87,548
30020	Hillsdale Community Public Schools	$	391,242
30030	Jonesville Community Schools	$	109,455
30040	Litchfield Community Schools	$	167,255
30050	North Adams-Jerome Public Schools	$	61,387
30060	Pittsford Area Schools	$	202,030
30070	Reading Community Schools	$	128,460
30080	Waldron Area Schools	$	98,856
31000	Copper Country Intermediate District	$	874,467
31010	Hancock Public Schools	$	177,175
31020	Adams Township School District	$	20,756
31030	Calumet Public Schools	$	314,749
31050	Chassell Township School District	$	627
31100	Osceola Township School District	$	3,877
31110	Houghton-Portage Township Schools	$	176,454
31130	Lake Linden Hubbell School District	$	98,547
32000	Huron Intermediate District	$	1,188,316
32010	Bad Axe Public Schools	$	163,568
32030	Caseville Public Schools	$	29,891
32060	Harbor Beach Community Schools	$	129,415
32090	Owendale Gagetown Area School District	$	49,577
32130	Port Hope Community Schools	$	373
32170	Ubly Community Schools	$	103,432
33000	Ingham Intermediate District	$	9,528,160
33020	Lansing Public School District	$	13,878,055
33040	Dansville Agricultural School	$	231,154
33060	Haslett Public Schools	$	533,512
33070	Holt Public Schools	$	1,436,837
33100	Leslie Public Schools	$	487,249
33130	Mason Public Schools	$	1,242,161
33200	Stockbridge Community Schools	$	538,077
33220	Webberville Community Schools	$	160,090
33230	Williamston Community Schools	$	286,724
34000	Ionia Intermediate District	$	889,225
34010	Ionia Public Schools	$	1,442,559
34040	Palo Community School District	$	22,056
34080	Belding Area School District	$	590,288
34090	Lakewood Public Schools	$	621,134
34110	Portland Public School District	$	512,174
34120	Saranac Community Schools	$	222,518
35000	Iosco Intermediate District	$	746,867
35010	Oscoda Area Schools	$	586,953
35020	Hale Area Schools	$	117,632
35040	Whittemore Prescott Area School District	$	327,352
36015	Forest Park School District	$	104,179
36025	West Iron County School District	$	291,224
37010	Mt. Pleasant City School District	$	1,661,159
37040	Beal City School	$	94,455
37060	Shepherd Public School District	$	537,492
38000	Jackson Intermediate District	$	5,867,626
38010	Western School District	$	368,913
38020	Vandercook Lake Public Schools	$	182,732
38040	Columbia School District	$	272,872

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

38050	Grass Lake Community Schools	$	112,948
38080	Concord Community Schools	$	136,334
38090	East Jackson Public Schools	$	262,531
38100	Hanover Horton Schools	$	210,862
38120	Michigan Center School District	$	254,956
38130	Napoleon Community Schools	$	162,981
38140	Northwest School District	$	557,439
38150	Springport Public Schools	$	112,368
38170	Jackson Public Schools	$	4,007,741
39000	Kalamazoo Valley Intermediate District	$	2,294,305
39010	Kalamazoo City School District	$	4,620,814
39020	Climax Scotts Community Schools	$	141,525
39050	Galesburg Augusta Community Schools	$	491,658
39065	Gull Lake Community Schools	$	664,438
39130	Parchment School District	$	413,278
39160	Schoolcraft Community Schools	$	278,974
39170	Vicksburg Community Schools	$	606,035
40020	Forest Area Community School District	$	249,638
40040	Kalkaska Public Schools	$	536,507
41000	Kent Intermediate District	$	1,018,499
41010	Grand Rapids City School District	$	30,052,399
41020	Godwin Heights Public Schools	$	776,787
41025	Northview Public School District	$	1,463,294
41026	Wyoming Public Schools	$	3,510,038
41070	Cedar Springs Public Schools	$	1,194,520
41080	Comstock Park Public Schools	$	735,314
41120	Godfrey Lee Public School District	$	625,281
41130	Grandville Public Schools	$	2,285,726
41140	Kelloggsville Public Schools	$	457,811
41150	Kent City Community Schools	$	634,852
41170	Lowell Area School District	$	1,191,193
41210	Rockford Public Schools	$	1,800,045
41240	Sparta Area Schools	$	1,572,479
43040	Baldwin Community Schools	$	301,981
44000	Lapeer Intermediate District	$	1,257,237
44010	Lapeer Community Schools	$	1,606,732
44020	Almont Community Schools	$	195,065
44050	Dryden Community Schools	$	123,137
44060	Imlay City Community Schools	$	650,688
44090	North Branch Area Schools	$	361,607
45010	Glen Lake Community School District	$	147,578
45020	Leland Public School District	$	74,798
45040	Northport Public School District	$	103,011
46000	Lenawee Intermediate District	$	3,474,431
46010	Adrian City School District	$	1,749,075
46020	Addison Community Schools	$	228,919
46040	Blissfield Community Schools	$	216,378
46050	Britton Macon Area School District	$	48,992
46060	Clinton Community Schools	$	156,385
46070	Deerfield Public Schools	$	63,324
46080	Hudson Area Schools	$	206,641
46090	Madison School District	$	254,199
46100	Morenci Area Schools	$	175,792
46110	Onsted Community Schools	$	204,754
46130	Sand Creek Community Schools	$	180,402
46140	Tecumseh Public Schools	$	564,716
47000	Livingston Intermediate District	$	3,740,653
47010	Brighton Area Schools	$	1,608,320

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

47030	Fowlerville Community Schools	$	458,044
47060	Hartland Consolidated Schools	$	638,713
47070	Howell Public Schools	$	1,500,542
47080	Pinckney Community Schools	$	585,950
48040	Tahquamenon Area Schools	$	267,875
49010	St. Ignace City School District	$	199,400
49040	Les Cheneaux Community School District	$	79,470
49055	Engadine Consolidated Schools	$	48,728
49070	Moran Township School District	$	1,018
49110	Mackinac Island Public Schools	$	19,763
50000	Macomb Intermediate School	$	20,272,402
50030	Roseville Community Schools	$	2,720,948
50040	Anchor Bay School District	$	1,402,309
50050	Armada Area Schools	$	511,195
50070	Clintondale Community Schools	$	1,493,807
50080	Chippewa Valley Schools	$	2,743,571
50130	Lakeview Public Schools	$	1,303,122
50170	New Haven Community Schools	$	443,394
50180	Richmond Community Schools	$	714,909
50190	Romeo Community Schools	$	1,416,793
51000	Manistee Intermediate District	$	805,187
51020	Bear Lake School District	$	68,270
51045	Kaleva Norman - Dickson Schools	$	143,635
51060	Onekama Consolidated Schools	$	10,726
51070	Manistee Area Public Schools	$	309,900
52000	Marquette Alger Intermediate District	$	931,342
52015	N.I.C.E. Community Schools	$	487,900
52040	Gwinn Area Community Schools	$	686,265
52090	Negaunee Public Schools	$	360,838
52100	Powell Township School District	$	26,655
52110	Republic Michigamme Schools	$	111,822
52160	Wells Township School District	$	4,936
52170	Marquette City School District	$	1,176,918
52180	Ishpeming Public School District	$	369,755
53000	Mason Lake Intermediate District	$	1,418,466
53010	Mason County Central School District	$	270,895
53020	Mason County Eastern School District	$	100,000
53030	Freesoil Community School District	$	28,616
53040	Ludington Area School District	$	553,370
54000	Mecosta Osceola Intermediate District	$	1,144,797
54010	Big Rapids Public Schools	$	301,222
54025	Chippewa Hills School District	$	603,473
54040	Morley Stanwood Community Schools	$	298,110
55000	Menominee Intermediate District	$	596,813
55010	Carney Nadeau Public Schools	$	36,825
55100	Menominee Area Public Schools	$	410,849
55115	North Central Area Schools	$	79,050
55120	Stephenson Area Public Schools	$	146,858
56000	Midland Intermediate District	$	778,082
56020	Bullock Creek School District	$	815,270
56030	Coleman Community School District	$	405,291
56050	Meridian Public Schools	$	847,821
57010	Falmouth Elementary School District	$	11,423
57020	Lake City Area School District	$	144,279
57030	McBain Agricultural School District	$	148,767
58000	Monroe Intermediate District	$	5,938,669
58020	Airport Community School District	$	968,294
58030	Bedford Public School District	$	814,625

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

58050	Dundee Community Schools	$	290,343
58070	Ida Public School District	$	904,674
58080	Jefferson Schools-Monroe County	$	1,122,705
58090	Mason Consolidated School District	$	404,108
58100	Summerfield School District	$	196,514
58110	Whiteford Agricultural School District	$	171,481
59000	Montcalm Area Intermediate District	$	2,405,905
59020	Carson City Crystal Area School District	$	248,985
59045	Montabella Community School District	$	235,193
59070	Greenville Public Schools	$	937,756
59080	Tri County Area Schools	$	309,365
59090	Lakeview Community Schools	$	317,348
59125	Central Montcalm Public Schools	$	488,104
59150	Vestaburg Community Schools	$	142,375
60010	Atlanta Community Schools	$	102,771
60020	Hillman Community Schools	$	89,566
61000	Muskegon Intermediate District	$	1,704,192
61010	Muskegon City School District	$	7,333,232
61020	Muskegon Heights School District	$	1,665,615
61060	Mona Shores School District	$	924,108
61065	Oakridge Public Schools	$	516,766
61080	Fruitport Community Schools	$	1,340,081
61120	Holton Public Schools	$	404,703
61180	Montague Area Public Schools	$	353,974
61190	Orchard View Schools	$	835,211
61210	Ravenna Public Schools	$	289,731
61220	Reeths Puffer Schools	$	1,362,629
61230	North Muskegon Public Schools	$	104,428
61240	Whitehall School District	$	566,527
62000	Newaygo Intermediate District	$	2,002,463
62040	Fremont Public School District	$	413,415
62050	Grant Public School District	$	408,836
62060	Hesperia Community School District	$	258,339
62070	Newaygo Public School District	$	808,680
62080	Pineview School District	$	6,754
62090	White Cloud Public Schools	$	326,623
62470	Big Jackson School District	$	4,683
63080	Bloomfield Hills School District	$	6,277,282
63090	Clarenceville School District	$	1,050,868
63110	Oxford Area Community School District	$	1,064,497
63130	Hazel Park City School District	$	4,502,785
63180	Brandon School District	$	1,573,574
63190	Clarkston Community School District	$	2,599,329
63210	Holly Area School District	$	1,652,532
63250	Oak Park City School District	$	2,742,617
63300	Waterford School District	$	7,891,782
64000	Oceana Intermediate District	$	459,987
64040	Hart Public School District	$	492,658
64070	Pentwater Public School District	$	50,550
64080	Shelby Public Schools	$	308,687
64090	Walkerville Rural Community Schools	$	178,928
65045	West Branch-Rose City Area Schools	$	597,592
66045	Ewen-Trout Creek Consolidated Schools	$	125,613
66050	Ontonagon Area Schools	$	117,972
66070	White Pine School District	$	38,434
67020	Evart Public Schools	$	222,644
67050	Marion Public Schools	$	120,994
67055	Pine River Area Schools	$	210,897

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

67060	Reed City Area Public Schools	$	225,449
68010	Mio Au Sable Schools	$	188,436
68030	Fairview Area School District	$	53,298
69020	Gaylord Community Schools	$	361,967
69030	Johannesburg-Lewiston Schools	$	302,444
69040	Vanderbilt Area School	$	78,924
70000	Ottawa Intermediate District	$	3,134,623
70040	Allendale Public School District	$	304,155
70120	Coopersville Public School District	$	547,307
70175	Jenison Public Schools	$	1,174,903
70190	Hudsonville Public School District	$	642,115
70300	Spring Lake Public School District	$	654,764
71050	Onaway Area Community School District	$	62,371
71060	Posen Cons School District	$	89,023
71080	Rogers City Area Schools	$	98,801
72000	C O O R Intermediate District	$	1,535,012
72010	Gerrish Higgins School District	$	315,748
73000	Saginaw Intermediate District	$	3,752,177
73010	Saginaw City School District	$	9,709,110
73030	Carrollton School District	$	757,628
73080	Buena Vista School District	$	774,237
73110	Chesaning Union Schools	$	586,935
73170	Birch Run Area School District	$	442,083
73180	Bridgeport-Saulding Community Schools	$	947,910
73200	Freeland Community School District	$	245,297
73210	Hemlock Public School District	$	463,950
73230	Merrill Community School District	$	313,949
73240	St. Charles Community Schools	$	217,281
73255	Swan Valley School District	$	404,732
74000	St. Clair Intermediate District	$	2,495,753
74010	Port Huron Area School District	$	5,768,925
74030	Algonac Community School District	$	683,103
74040	Capac Community School District	$	637,134
74100	Marysville Public School District	$	541,674
74120	Memphis Community Schools	$	236,433
74130	Yale Public Schools	$	364,744
75000	St. Joseph Intermediate District	$	1,557,997
75010	Sturgis Public School District	$	667,172
75020	Burr Oak Community School District	$	31,806
75030	Centreville Public Schools	$	239,843
75040	Colon Community School District	$	136,247
75050	Constantine Public School District	$	295,041
75060	Mendon Community School District	$	220,774
75070	White Pigeon Community School District	$	166,233
75080	Three Rivers Community Schools	$	903,838
75100	Nottawa Community School	$	30,147
76000	Sanilac Intermediate District	$	694,073
76060	Brown City Community School District	$	174,912
76070	Carsonville-Port Sanilac School District	$	93,165
76080	Croswell Lexington Community Schools	$	410,871
76090	Deckerville Community School District	$	118,766
76140	Marlette Community Schools	$	284,291
76180	Peck Community School District	$	35,198
76210	Sandusky Community School District	$	308,221
77010	Manistique Area Schools	$	310,466
78000	Shiawassee RESD	$	3,184,986
78020	Byron Area Schools	$	191,551
78030	Durand Area Schools	$	540,453

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

78040	Laingsburg Community School District	$	114,818
78060	Morrice Area Schools	$	85,394
78070	New Lothrop Area Public School District	$	105,582
78080	Perry Public School District	$	273,749
78100	Corunna Public School District	$	454,571
78110	Owosso Public Schools	$	885,887
79000	Tuscola Intermediate District	$	1,095,027
79010	Akron Fairgrove Schools	$	76,917
79020	Caro Community Schools	$	476,124
79030	Cass City Public Schools	$	250,135
79080	Kingston Community School District	$	27,113
79090	Mayville Community School District	$	267,475
79100	Millington Community Schools	$	258,045
79110	Reese Public Schools	$	164,035
79145	Unionville Sebewaing Area Schools	$	98,025
79150	Vassar Public Schools	$	271,839
80000	Van Buren Intermediate District	$	3,864,085
80010	South Haven Public Schools	$	619,864
80020	Bangor Public Schools	$	246,071
80040	Covert Public Schools	$	179,845
80050	Decatur Public Schools	$	214,070
80090	Bloomingdale Public School District	$	303,179
80110	Gobles Public School District	$	145,320
80120	Hartford Public School District	$	475,713
80130	Lawrence Public School District	$	94,596
80140	Lawton Community School District	$	190,087
80150	Mattawan Consolidated School District	$	312,724
80160	Paw Paw Public School District	$	301,501
81000	Washtenaw Intermediate District	$	2,724,063
81040	Chelsea School District	$	518,995
81050	Dexter Community School District	$	962,834
81070	Lincoln Consolidated School District	$	1,492,337
81080	Manchester Community School District	$	472,632
81100	Milan Area Schools	$	572,621
81120	Saline Area School District	$	1,624,108
81140	Whitmore Lake Public School District	$	496,133
81150	Willow Run Community Schools	$	2,071,518
82000	Wayne Intermediate District	$	8,287,172
82010	Detroit City School District	$	118,608,866
82040	Dearborn Heights School District #7	$	849,305
82045	Melvindale Allen Park Schools	$	836,448
82050	Garden City School District	$	5,839,085
82060	Hamtramck Public Schools	$	1,734,517
82070	Highland Park City Schools	$	1,875,555
82080	Inkster City School District	$	1,252,453
82090	Lincoln Park Public Schools	$	2,194,776
82110	Redford Union School District	$	5,630,439
82120	River Rouge City Schools	$	885,742
82130	Romulus Community Schools	$	2,366,586
82150	Taylor School District	$	6,396,657
82160	Wayne-Westland Community School District	$	14,003,645
82170	Wyandotte City School District	$	3,732,656
82180	Flat Rock Community Schools	$	549,211
82240	Westwood Community Schools	$	1,762,599
82250	Ecorse Public School District	$	656,734
82340	Huron School District	$	1,302,779
82405	Southgate Community School District	$	1,037,284
82430	Van Buren Public Schools	$	3,312,445

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

83000	Wexford Missaukee Intermediate District	$	1,625,243
83010	Cadillac Area Public Schools	$	468,432
83060	Manton Consolidated Schools	$	118,182
83070	Mesick Consolidated School District	$	88,208

(2) This section, any other provision of this act, or section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, shall not be construed to constitute an admission of liability to the districts designated in this section in any litigation or future litigation with a district or intermediate district. In addition, this section, any other provision of this act, or section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, shall not be construed to constitute a waiver of any defense that is or would have been available to this state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district.

History: Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997.

Compiler's note: In the above table, the entry for "Bridgeport-Saulding Community Schools" should evidently read "Bridgeport-Spaulding Community Schools."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1611i Borrowing money and issuing bonds.

Sec. 11i. (1) In addition to any other authority granted under law, an eligible district or intermediate district may borrow from the Michigan municipal bond authority created under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1077, an amount equal to 1/2 of the amount listed for the district or intermediate district in section 11h, in anticipation of the receipt of the payments appropriated under section 11g, and may authorize by resolution of its governing body and issue its bonds to evidence its obligations to the Michigan municipal bond authority on the terms and with those provisions as are provided by resolution of the board of the district or intermediate district and as are acceptable to the Michigan municipal bond authority if the bonds are accompanied by an opinion of bond counsel acceptable to the Michigan municipal bond authority to the effect that the interest on the bonds is excluded from gross income for federal income tax purposes. For the purposes of this section, an eligible district or intermediate district is a district or intermediate district, other than a district or intermediate district that receives a lump sum payment under section 11f(2), that qualifies to receive funds under sections 11f and 11g and that notifies the department of treasury not later than 5 p.m. eastern daylight time on June 30, 1998, in the form and manner prescribed by the department of treasury, that the district or intermediate district will borrow money and issue bonds under this section or is a district, other than a district that receives a lump sum payment under section 11f(2), that qualifies to receive funds under sections 11f and 11g, that has a membership of less than 2,000 full-time equated pupils, that has not submitted to the department of treasury a letter stating its intent not to borrow from the Michigan municipal bond authority, and that notified the department of treasury not later than 5 p.m. eastern daylight time on July 14, 1998, in the form and manner prescribed by the department of treasury, that the district will borrow money and issue bonds under this section. A district or intermediate district may pledge and assign to the Michigan municipal bond authority, as security for the bonds, all of the payments appropriated to it under section 11g but may not otherwise pledge or assign those payments. Bonds issued under this section are not subject to the municipal finance act, 1943 PA 202, MCL 131.1 to 139.3.

(2) Proceeds of bonds issued under this section shall be made available to districts and intermediate districts on or after November 15, 1998. Each district and intermediate district shall use proceeds of bonds issued by it under this section only for a purpose for which bonds may be issued under section 1351a of the revised school code, MCL 380.1351a.

(3) Bonds issued under this section do not constitute a general obligation or debt of a district or intermediate district within the meaning of any constitutional or statutory debt limitation.

(4) This section shall be construed as cumulative authority for the exercise of the powers granted in this section and shall not be construed to repeal any existing law. The purpose of this section is to create full and complete additional and alternate methods for the exercise of existing powers, and the powers conferred by this section are not affected or limited by any other statute or by any charter or incorporating document.

(5) A pledge made by a district or intermediate district under this section is valid and binding from the time the pledge is made. The revenue or other money pledged under this section and thereafter received by a district or intermediate district is immediately subject to the lien of the pledge without physical delivery of the revenue or money or any further act. The lien of such a pledge is valid and binding against a party having a claim of any kind in tort, contract, or otherwise against the district or intermediate district, irrespective of whether that party has notice of the pledge. The resolution or any other instrument by which a pledge is

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

created is not required to be filed or recorded in order to establish and perfect a lien or security interest in the property pledged.

(6) Bonds issued under this section are not in any way a debt or liability of this state; do not create or constitute any indebtedness, liability, or obligation of this state; are not and do not constitute a pledge of the faith and credit of this state; and shall contain on their face a statement to that effect.

History: Add. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998.

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1611k School loan revolving fund; allocation; definition.

Sec. 11k. For 2006-2007, there is appropriated from the general fund to the school loan revolving fund an amount equal to the amount of school bond loans assigned to the Michigan municipal bond authority, not to exceed the total amount of school bond loans held in reserve as long-term assets. As used in this section, "school loan revolving fund" means that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

History: Add. 2005, Act 155, Imd. Eff. Sept. 30, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Former MCL 388.1611k, which pertained to project grants to districts, was repealed by Act 111 of 2001, Imd. Eff. Sept. 28, 2001.

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1618a Grant funds to be expended by end of school year; effect of funds not expended; return of unexpended funds.

Sec. 18a. Grant funds awarded and allotted to a district, intermediate district, or other entity, unless otherwise specified in this act, shall be expended by the grant recipient before the end of the school fiscal year immediately following the fiscal year in which the funds are received. If a grant recipient does not expend the funds received under this act before the end of the fiscal year in which the funds are received, the grant recipient shall submit a report to the department not later than November 1 after the fiscal year in which the funds are received indicating whether it expects to expend those funds during the fiscal year in which the report is submitted. A recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 after the fiscal year in which the funds are received.

History: Add. 1992, Act 148, Eff. Aug. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2004, Act 351, Eff. Oct. 1, 2004.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1620 Foundation allowance per membership pupil; payments to districts, public school academies, and university schools; definitions.

Sec. 20. (1) For 2005-2006, the basic foundation allowance is $6,875.00. For 2006-2007, the basic foundation allowance is $7,085.00.

(2) The amount of each district's foundation allowance shall be calculated as provided in this section, using a basic foundation allowance in the amount specified in subsection (1).

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

(3) Except as otherwise provided in this section, the amount of a district's foundation allowance shall be calculated as follows, using in all calculations the total amount of the district's foundation allowance as calculated before any proration:

(a) Except as otherwise provided in this subsection, for a district that in the immediately preceding state fiscal year had a foundation allowance in an amount at least equal to the amount of the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year in the basic foundation allowance. However, for 2002-2003, the foundation allowance for a district under this subdivision is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus $200.00.

(b) For a district that in the 1994-95 state fiscal year had a foundation allowance greater than $6,500.00, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of the increase in the basic foundation allowance for the current state fiscal year, as compared to the immediately preceding state fiscal year, or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b. For 2002-2003, for a district that in the 1994-95 state fiscal year had a foundation allowance greater than $6,500.00, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of $200.00 or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

(c) For a district that has a foundation allowance that is not a whole dollar amount, the district's foundation allowance shall be rounded up to the nearest whole dollar.

(d) For a district that received a payment under section 22c as that section was in effect for 2001-2002, the district's 2001-2002 foundation allowance shall be considered to have been an amount equal to the sum of the district's actual 2001-2002 foundation allowance as otherwise calculated under this section plus the per pupil amount of the district's equity payment for 2001-2002 under section 22c as that section was in effect for 2001-2002.

(e) It is the intent of the legislature that beginning in 2007-2008, for a district that receives a payment under section 22c for 2006-2007, the district's 2006-2007 foundation allowance shall be considered to have been an amount equal to the sum of the district's actual 2006-2007 foundation allowance as otherwise calculated under this section plus the per pupil amount of the district's equity payment for 2006-2007 under section 22c.

(4) Except as otherwise provided in this subsection, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or $6,500.00, whichever is less, minus the difference between the product of the taxable value per membership pupil of all property in the district that is not a principal residence or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's membership excluding special education pupils. For a district described in subsection (3)(b), the state portion of the district's foundation allowance is an amount equal to $6,962.00 plus the difference between the district's foundation allowance for the current state fiscal year and the district's foundation allowance for 1998-99, minus the difference between the product of the taxable value per membership pupil of all property in the district that is not a principal residence or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's membership excluding special education pupils. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. The $6,500.00 amount prescribed in this subsection shall be

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

adjusted each year by an amount equal to the dollar amount of the difference between the basic foundation allowance for the current state fiscal year and $5,000.00, minus $200.00.

(5) The allocation calculated under this section for a pupil shall be based on the foundation allowance of the pupil's district of residence. However, for a pupil enrolled in a district other than the pupil's district of residence, if the foundation allowance of the pupil's district of residence has been adjusted pursuant to subsection (19), the allocation calculated under this section shall not include the adjustment described in subsection (19). For a pupil enrolled pursuant to section 105 or 105c in a district other than the pupil's district of residence, the allocation calculated under this section shall be based on the lesser of the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another district in a grade not offered by the pupil's district of residence, the allocation calculated under this section shall be based on the foundation allowance of the educating district if the educating district's foundation allowance is greater than the foundation allowance of the pupil's district of residence. The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).

(6) Subject to subsection (7) and section 22b(3) and except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a public school academy or a university school, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the public school academy or university school equal to the sum of the local school operating revenue per membership pupil other than special education pupils for the district in which the public school academy or university school is located and the state portion of that district's foundation allowance, or the sum of the basic foundation allowance under subsection (1) plus $300.00, whichever is less. Notwithstanding section 101(2), for a public school academy that begins operations after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the public school academy after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection.

(7) If more than 25% of the pupils residing within a district are in membership in 1 or more public school academies located in the district, then the amount per membership pupil calculated under this section for a public school academy located in the district shall be reduced by an amount equal to the difference between the product of the taxable value per membership pupil of all property in the district that is not a principal residence or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's membership excluding special education pupils, in the school fiscal year ending in the current state fiscal year, calculated as if the resident pupils in membership in 1 or more public school academies located in the district were in membership in the district. In order to receive state school aid under this act, a district described in this subsection shall pay to the authorizing body that is the fiscal agent for a public school academy located in the district for forwarding to the public school academy an amount equal to that local school operating revenue per membership pupil for each resident pupil in membership other than special education pupils in the public school academy, as determined by the department.

(8) If a district does not receive an amount calculated under subsection (9); if the number of mills the district may levy on a principal residence and qualified agricultural property under section 1211(1) of the revised school code, MCL 380.1211, is 0.5 mills or less; and if the district elects not to levy those mills, the district instead shall receive a separate supplemental amount calculated under this subsection in an amount equal to the amount the district would have received had it levied those mills, as determined by the department of treasury. A district shall not receive a separate supplemental amount calculated under this subsection for a fiscal year unless in the calendar year ending in the fiscal year the district levies 18 mills or the number of mills of school operating taxes levied by the district in 1993, whichever is less, on property that is not a principal residence or qualified agricultural property.

(9) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than $6,500.00 and that had fewer than 350 pupils in membership, if the district elects not to reduce the number of mills from which a principal residence and qualified agricultural property are exempt and not to levy school operating taxes on a principal residence and qualified agricultural property as provided in section 1211(1) of the revised school code, MCL 380.1211, and not to levy school operating taxes on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, there is calculated under

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

this subsection for 1994-95 and each succeeding fiscal year a separate supplemental amount in an amount equal to the amount the district would have received per membership pupil had it levied school operating taxes on a principal residence and qualified agricultural property at the rate authorized for the district under section 1211(1) of the revised school code, MCL 380.1211, and levied school operating taxes on all property at the rate authorized for the district under section 1211(2) of the revised school code, MCL 380.1211, as determined by the department of treasury. If in the calendar year ending in the fiscal year a district does not levy 18 mills or the number of mills of school operating taxes levied by the district in 1993, whichever is less, on property that is not a principal residence or qualified agricultural property, the amount calculated under this subsection will be reduced by the same percentage as the millage actually levied compares to the 18 mills or the number of mills levied in 1993, whichever is less.

(10) Subject to subsection (4), for a district that is formed or reconfigured after June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district who reside in the geographic area of each of the original or affected districts. The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).

(11) Each fraction used in making calculations under this section shall be rounded to the fourth decimal place and the dollar amount of an increase in the basic foundation allowance shall be rounded to the nearest whole dollar.

(12) State payments related to payment of the foundation allowance for a special education pupil are not calculated under this section but are instead calculated under section 51a.

(13) To assist the legislature in determining the basic foundation allowance for the subsequent state fiscal year, each revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b, shall calculate a pupil membership factor, a revenue adjustment factor, and an index as follows:

(a) The pupil membership factor shall be computed by dividing the estimated membership in the school year ending in the current state fiscal year, excluding intermediate district membership, by the estimated membership for the school year ending in the subsequent state fiscal year, excluding intermediate district membership. If a consensus membership factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(b) The revenue adjustment factor shall be computed by dividing the sum of the estimated total state school aid fund revenue for the subsequent state fiscal year plus the estimated total state school aid fund revenue for the current state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund and excluding money transferred into that fund from the countercyclical budget and economic stabilization fund under section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the estimated total school aid fund revenue for the current state fiscal year plus the estimated total state school aid fund revenue for the immediately preceding state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund. If a consensus revenue factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(c) The index shall be calculated by multiplying the pupil membership factor by the revenue adjustment factor. However, for 2005-2006 and 2006-2007, the index shall be 1.00. If a consensus index is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(14) If the principals at the revenue estimating conference reach a consensus on the index described in subsection (13)(c), the basic foundation allowance for the subsequent state fiscal year shall be at least the amount of that consensus index multiplied by the basic foundation allowance specified in subsection (1).

(15) If at the January revenue estimating conference it is estimated that pupil membership, excluding intermediate district membership, for the subsequent state fiscal year will be greater than 101% of the pupil membership, excluding intermediate district membership, for the current state fiscal year, then it is the intent of the legislature that the executive budget proposal for the school aid budget for the subsequent state fiscal year include a general fund/general purpose allocation sufficient to support the membership in excess of 101% of the current year pupil membership.

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

(16) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than $6,500.00, that had fewer than 7 pupils in membership in the 1993-94 state fiscal year, that has at least 1 child educated in the district in the current state fiscal year, and that levies the number of mills of school operating taxes authorized for the district under section 1211 of the revised school code, MCL 380.1211, a minimum amount of combined state and local revenue shall be calculated for the district as provided under this subsection. The minimum amount of combined state and local revenue for 1999-2000 shall be $67,000.00 plus the district's additional expenses to educate pupils in grades 9 to 12 educated in other districts as determined and allowed by the department. The minimum amount of combined state and local revenue under this subsection, before adding the additional expenses, shall increase each fiscal year by the same percentage increase as the percentage increase in the basic foundation allowance from the immediately preceding fiscal year to the current fiscal year. The state portion of the minimum amount of combined state and local revenue under this subsection shall be calculated by subtracting from the minimum amount of combined state and local revenue under this subsection the sum of the district's local school operating revenue and an amount equal to the product of the sum of the state portion of the district's foundation allowance plus the amount calculated under section 20j times the district's membership. As used in this subsection, "additional expenses" means the district's expenses for tuition or fees, not to exceed $6,500.00 as adjusted each year by an amount equal to the dollar amount of the difference between the basic foundation allowance for the current state fiscal year and $5,000.00, minus $200.00, plus a room and board stipend not to exceed $10.00 per school day for each pupil in grades 9 to 12 educated in another district, as approved by the department.

(17) For a district in which 7.75 mills levied in 1992 for school operating purposes in the 1992-93 school year were not renewed in 1993 for school operating purposes in the 1993-94 school year, the district's combined state and local revenue per membership pupil shall be recalculated as if that millage reduction did not occur and the district's foundation allowance shall be calculated as if its 1994-95 foundation allowance had been calculated using that recalculated 1993-94 combined state and local revenue per membership pupil as a base. A district is not entitled to any retroactive payments for fiscal years before 2000-2001 due to this subsection.

(18) For a district in which an industrial facilities exemption certificate that abated taxes on property with a state equalized valuation greater than the total state equalized valuation of the district at the time the certificate was issued or $700,000,000.00, whichever is greater, was issued under 1974 PA 198, MCL 207.551 to 207.572, before the calculation of the district's 1994-95 foundation allowance, the district's foundation allowance for 2002-2003 is an amount equal to the sum of the district's foundation allowance for 2002-2003, as otherwise calculated under this section, plus $250.00.

(19) For a district that received a grant under former section 32e for 2001-2002, the district's foundation allowance for 2002-2003 and each succeeding fiscal year shall be adjusted to be an amount equal to the sum of the district's foundation allowance, as otherwise calculated under this section, plus the quotient of 100% of the amount of the grant award to the district for 2001-2002 under former section 32e divided by the number of pupils in the district's membership for 2001-2002 who were residents of and enrolled in the district. Except as otherwise provided in this subsection, a district qualifying for a foundation allowance adjustment under this subsection shall use the funds resulting from this adjustment for at least 1 of grades K to 3 for purposes allowable under former section 32e as in effect for 2001-2002, and may also use these funds for an early intervening program described in subsection (20). For an individual school or schools operated by a district qualifying for a foundation allowance under this subsection that have been determined by the department to meet the adequate yearly progress standards of the federal no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district may submit to the department an application for flexibility in using the funds resulting from this adjustment that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to reduce class size, but that may be different from the purposes otherwise allowable under this subsection. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to reduce class size. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

(20) An early intervening program that uses funds resulting from the adjustment under subsection (19) shall meet either or both of the following:

(a) Shall monitor individual pupil learning for pupils in grades K to 3 and provide specific support or learning strategies to pupils in grades K to 3 as early as possible in order to reduce the need for special

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) Shall provide early intervening strategies for pupils in grades K to 3 using schoolwide systems of academic and behavioral supports and shall be scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A schoolwide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

(21) For a district that levied 1.9 mills in 1993 to finance an operating deficit, the district's foundation allowance shall be calculated as if those mills were included as operating mills in the calculation of the district's 1994-1995 foundation allowance. A district is not entitled to any retroactive payments for fiscal years before 2006-2007 due to this subsection. A district receiving an adjustment under this subsection shall not receive more than $800,000.00 for a fiscal year as a result of this adjustment.

(22) For a district that levied 2.23 mills in 1993 to finance an operating deficit, the district's foundation allowance shall be calculated as if those mills were included as operating mills in the calculation of the district's 1994-1995 foundation allowance. A district is not entitled to any retroactive payments for fiscal years before 2006-2007 due to this subsection. A district receiving an adjustment under this subsection shall not receive more than $500,000.00 for a fiscal year as a result of this adjustment.

(23) Payments to districts, university schools, or public school academies shall not be made under this section. Rather, the calculations under this section shall be used to determine the amount of state payments under section 22b.

(24) If an amendment to section 2 of article VIII of the state constitution of 1963 allowing state aid to some or all nonpublic schools is approved by the voters of this state, each foundation allowance or per pupil payment calculation under this section may be reduced.

(25) As used in this section:

(a) "Combined state and local revenue" means the aggregate of the district's state school aid received by or paid on behalf of the district under this section and the district's local school operating revenue.

(b) "Combined state and local revenue per membership pupil" means the district's combined state and local revenue divided by the district's membership excluding special education pupils.

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

(d) "Immediately preceding state fiscal year" means the state fiscal year immediately preceding the current state fiscal year.

(e) "Local school operating revenue" means school operating taxes levied under section 1211 of the revised school code, MCL 380.1211.

(f) "Local school operating revenue per membership pupil" means a district's local school operating revenue divided by the district's membership excluding special education pupils.

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

(h) "Principal residence" and "qualified agricultural property" mean those terms as defined in section 7dd of the general property tax act, 1893 PA 206, MCL 211.7dd.

(i) "School operating purposes" means the purposes included in the operation costs of the district as prescribed in sections 7 and 18.

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

(k) "Taxable value per membership pupil" means taxable value, as certified by the department of treasury, for the calendar year ending in the current state fiscal year divided by the district's membership excluding special education pupils for the school year ending in the current state fiscal year.

History: Add. 1993, Act 336, Eff. Mar. 15, 1994;—Am. 1994, Act 172, Imd. Eff. June 17, 1994;—Am. 1994, Act 283, Imd. Eff. July 12, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27,

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 141, Eff. Jan. 1, 2004;—Am. 2003, Act 158, Imd. Eff. Aug. 11, 2003;—Am. 2004, Act 351, Imd. Eff. Sept. 30, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 120, Imd. Eff. Apr. 14, 2006;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: The words "1/3 of" in subsection (20)(a)(*i*)(Q), as amended by Act 283 of 1994, were vetoed by the governor on July 9, 1994.

The last sentence of subsection (9), and subsections (18) and (19), as amended by Act 360 of 1994, were vetoed by the governor on December 22, 1994.

Subsection (11), as amended by Act 130 of 1995, was vetoed by the governor on June 30, 1995.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Subsection (20), as amended by Act 158 of 2003, was vetoed by the governor on August 11, 2003. The text of subsection (20) set forth above in this section (MCL 388.1620) derives from Act 141 of 2003. In the veto message accompanying her veto of certain items in Enrolled House Bill 4401 (Act 158 of 2003), the governor stated, "I have vetoed amendatory language in Section 20(20) that stops the annual $15 million supplemental payment to Detroit Public Schools at the end of fiscal year 2003. Existing language clearly indicates that this supplemental funding is intended to continue as long as the reform board remains in place. I intend to honor that commitment."

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1620b Repealed. 2000, Act 297, Eff. Oct. 1, 2000.

Compiler's note: The repealed section pertained to allocation for 1998-99.

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1620d Requirements for final determination under §§ 388.1620 and 388.1620a.

Sec. 20d. In making the final determination required under former section 20a of a district's combined state and local revenue per membership pupil in 1993-94 and in making calculations under section 20, the department and the department of treasury shall comply with all of the following:

(a) For a district that had combined state and local revenue per membership pupil in the 1994-95 state fiscal year of $6,500.00 or more and served as a fiscal agent for a state board designated area vocational education center in the 1993-94 school year, total state school aid received by or paid on behalf of the district pursuant to this act in 1993-94 shall exclude payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services to the area vocational education center. Not later than June 30, 1996, the department shall make an adjustment under this subdivision to the district's combined state and local revenue per membership pupil in the 1994-95 state fiscal year and the department of treasury shall make a final certification of the number of mills that may be levied by the district under section 1211 of the revised school code, MCL 380.1211, as a result of the adjustment under this subdivision.

(b) If a district had an adjustment made to its 1993-94 total state school aid that excluded payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services for intermediate district center programs operated by the district under article 5, if nonresident pupils attending the center programs were included in the district's membership for purposes of calculating the combined state and local revenue per membership pupil for 1993-94, and if there is a signed agreement by all constituent districts of the intermediate district that an adjustment under this subdivision shall be made, the foundation allowances for 1995-96 and 1996-97 of all districts that had pupils attending the intermediate

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

district center program operated by the district that had the adjustment shall be calculated as if their combined state and local revenue per membership pupil for 1993-94 included resident pupils attending the center program and excluded nonresident pupils attending the center program.

History: Add. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Imd. Eff. June 30, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Imd. Eff. June 19, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

Compiler's note: Subsection (2), as amended by Act 300 of 1996, was vetoed by the governor on June 19, 1996.
Sec. 20d, as amended by Act 372 of 1996, was vetoed by the governor on July 3, 1996.
Subdivision (c), as amended by Act 93 of 1997, was vetoed by the governor on August 1, 1997.

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1620j Foundation allowance supplemental payments; amounts.

Sec. 20j. (1) Foundation allowance supplemental payments for 2006-2007 to districts that in the 1994-95 state fiscal year had a foundation allowance greater than $6,500.00 shall be calculated under this section.

(2) The per pupil allocation to each district under this section shall be the difference between the dollar amount of the adjustment from the 1998-99 state fiscal year to the current state fiscal year in the basic foundation allowance minus the dollar amount of the adjustment from the 1998-99 state fiscal year to the current state fiscal year in the district's foundation allowance.

(3) If a district's local revenue per pupil does not exceed the sum of its foundation allowance under section 20 plus the per pupil allocation under subsection (2), the total payment to the district calculated under this section shall be the product of the per pupil allocation under subsection (2) multiplied by the district's membership excluding special education pupils. If a district's local revenue per pupil exceeds the foundation allowance under section 20 but does not exceed the sum of the foundation allowance under section 20 plus the per pupil allocation under subsection (2), the total payment to the district calculated under this section shall be the product of the difference between the sum of the foundation allowance under section 20 plus the per pupil allocation under subsection (2) minus the local revenue per pupil multiplied by the district's membership excluding special education pupils. If a district's local revenue per pupil exceeds the sum of the foundation allowance under section 20 plus the per pupil allocation under subsection (2), there is no payment calculated under this section for the district.

(4) Payments to districts shall not be made under this section. Rather, the calculations under this section shall be made and used to determine the amount of state payments under section 22b.

History: Add. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1620k Reduction in district's state school aid; determining maximum number of mills district may levy.

Sec. 20k. If the maximum amount appropriated under section 11 from the state school aid fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year so that a district's state school aid is reduced pursuant to section 11(3), the payments calculated under section 20j and made under section 22b shall be considered to be foundation allowance payments for the purpose of determining the maximum number of mills a district may levy under section 1211(3) of the revised school code, MCL 380.1211. However, the amount to be considered a foundation allowance payment for this purpose shall not exceed the amount reduced from the district's state aid payment as a result of the implementation of section 11(3).

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

History: Add. 2003, Act 158, Imd. Eff. Aug. 11, 2003.

Compiler's note: Former MCL 388.1620k, which pertained to allocations for 2000-2001, was repealed by Act 121 of 2001, Eff. Oct. 1, 2001.

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1622a Allocation for 2005-2006 and 2006-2007; payments to districts, university schools, and public school academies; definitions.

Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed $6,407,000,000.00 for 2005-2006 and an amount not to exceed $6,207,000,000.00 for 2006-2007 for payments to districts, qualifying university schools, and qualifying public school academies to guarantee each district, qualifying university school, and qualifying public school academy an amount equal to its 1994-95 total state and local per pupil revenue for school operating purposes under section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee does not apply to a district in a year in which the district levies a millage rate for school district operating purposes less than it levied in 1994. However, subsection (2) applies to calculating the payments under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22b and 51c in order to fully fund those calculated allocations for the same fiscal year.

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

(a) Except as otherwise provided in this subsection, the state portion of a district's 1994-95 foundation allowance is an amount equal to the district's 1994-95 foundation allowance or $6,500.00, whichever is less, minus the difference between the product of the taxable value per membership pupil of all property in the district that is not a homestead or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's membership. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur.

(b) For a district that had a 1994-95 foundation allowance greater than $6,500.00, the state payment under this subsection shall be the sum of the amount calculated under subdivision (a) plus the amount calculated under this subdivision. The amount calculated under this subdivision shall be equal to the difference between the district's 1994-95 foundation allowance minus $6,500.00 and the current year hold harmless school operating taxes per pupil. If the result of the calculation under subdivision (a) is negative, the negative amount shall be an offset against any state payment calculated under this subdivision. If the result of a calculation under this subdivision is negative, there shall not be a state payment or a deduction under this subdivision. The taxable values per membership pupil used in the calculations under this subdivision are as adjusted by ad valorem property tax revenue captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's membership.

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

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

(5) For a district that is formed or reconfigured after June 1, 2000 by consolidation of 2 or more districts or by annexation, the resulting district's 1994-95 foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the 1994-95 foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district in the state fiscal year in which the consolidation takes

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

place who reside in the geographic area of each of the original districts. If an affected district's 1994-95 foundation allowance is less than the 1994-95 basic foundation allowance, the amount of that district's 1994-95 foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the 1994-95 basic foundation allowance.

(6) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

History: Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Imd. Eff. Sept. 30, 2004;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at $11,113,522, 200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1622b Allocations for 2005-2006 and 2006-2007; discretionary nonmandated payments; duties of district; payments for litigation costs; allegation of unfunded constitutional requirement; escrowed funds as work project; use; determination; review of claim by local claims review board; removal to court of appeals; payment provisions.

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

(2) Subject to subsection (3) and section 11, the allocation to a district under this section shall be an amount equal to the sum of the amounts calculated under sections 20, 20j, 51a(2), 51a(3), and 51a(12), minus the sum of the allocations to the district under sections 22a and 51c.

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

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

(b) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b.

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

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

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

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

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

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

(8) If payments resulting from a final determination by the local claims review board or a court of competent jurisdiction that there has been a violation of section 29 of article IX of the state constitution of

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

1963 exceed the amount allocated for discretionary nonmandated payments under this section, the legislature shall provide for adequate funding for this state's constitutional obligations at its next legislative session.

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

History: Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006.

Compiler's note: In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase “and an amount not to exceed $2,845,000,000.00 for 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at $11,113,522, 200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1622c Equity payments to certain districts.

Sec. 22c. From the appropriation in section 11, there is allocated for 2006-2007 an amount not to exceed $20,000,000.00 to make equity payments to districts that have a foundation allowance or per pupil payment calculated under section 20, including any adjustment under section 20(19), for 2006-2007 of less than $7,360.00. The equity payment for a district shall be an amount per membership pupil equal to the lesser of $23.00 or the difference between $7,360.00 and the district's 2006-2007 foundation allowance or per pupil payment as calculated under section 20, including any adjustment under section 20(19).

History: Add. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Former MCL 388.1622c, which pertained to allocations for 2001-2002 equity payments to districts, was repealed by Act 191 of 2002, Eff. Oct. 1, 2002.

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

388.1624 Allocations for 2006-2007; payments for educating students assigned by court or department of human services; allocations; definitions; funding for department-approved on-grounds educational program.

Sec. 24. (1) From the appropriation in section 11, there is allocated for 2006-2007 an amount not to exceed $8,000,000.00 for payments to the educating district or intermediate district for educating pupils assigned by a court or the department of human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of human services and approved by the department to provide an on-grounds education program. The amount of the payment under this section to a district or intermediate district shall be calculated as prescribed under subsection (2).

(2) For 2006-2007, 80% of the total amount allocated under this section shall be allocated by paying to the educating district or intermediate district an amount equal to the lesser of the district's or intermediate district's added cost or the department's approved per pupil allocation for the district or intermediate district, and 20% of the total amount allocated under this section shall be allocated by paying to the educating district or intermediate district an amount equal to the district's or intermediate district's added cost. For 2007-2008, 90% of the total amount allocated under this section shall be allocated by paying to the educating district or intermediate district an amount equal to the lesser of the district's or intermediate district's added cost or the department's approved per pupil allocation for the district or intermediate district, and 10% of the total amount allocated under this section shall be allocated by paying to the educating district or intermediate district an amount equal to the district's or intermediate district's added cost. Beginning with allocations for 2008-2009, 100% of the total amount allocated under this section shall be allocated by paying to the educating district or intermediate district an amount equal to the lesser of the district's or intermediate district's added cost or the department's approved per pupil allocation for the district or intermediate district. For the purposes of this subsection:

(a) "Added cost" means 100% of the added cost each fiscal year for educating all pupils assigned by a court or the department of human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of human services or the department of labor and economic growth and approved by the department to provide an on-grounds education program. Added cost shall be computed by deducting all other revenue received under this act for pupils described in this section from total costs, as approved by the department, in whole or in part, for educating those pupils in the on-grounds education program or in a program approved by the department that is located on property adjacent to a juvenile detention facility or child caring institution. Costs reimbursed by federal funds are not included.

(b) "Department's approved per pupil allocation" for a district or intermediate district shall be determined by dividing the total amount allocated under this section for a fiscal year by the full-time equated membership total for all pupils approved by the department to be funded under this section for that fiscal year for the district or intermediate district.

(3) A district or intermediate district educating pupils described in this section at a residential child caring institution may operate, and receive funding under this section for, a department-approved on-grounds educational program for those pupils that is longer than 181 days, but not longer than 233 days, if the child caring institution was licensed as a child caring institution and offered in 1991-92 an on-grounds educational program that was longer than 181 days but not longer than 233 days and that was operated by a district or intermediate district.

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

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 200, Imd. Eff. Jan. 2, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Imd. Eff. Aug. 11, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Subsection (3) of Sec. 24, as amended by Act 128 of 1987, was vetoed by the governor on July 24, 1987.

Subsection (3) of Sec. 24, as amended by Act 212 of 1986, reads as follows:

"(3) Special education pupils funded under section 53 shall not be counted under this section."

In his veto message relative to Enrolled House Bill 4572, which became Act 118 of 1991, the governor stated that "the tradition of not re-enacting annually the unchanged appropriation sections of the school aid act is constitutionally flawed. It assumes the invalid creation

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

of a continuing appropriation. Therefore, the following sections of the school aid act and their associated allocations must be considered inoperative: 24, 55, 74, 75, 105a, 111, and 116. These sections will be treated as excluded from the current bill... .”

In subsection (2), as amended by Act 297 of 2000, the last sentence “In addition, a district or intermediate district that received funds under this subsection for 1998-99 for an on-grounds educational program that is longer than 181 days but not longer than 233 days shall continue to receive funds under this section for subsequent fiscal years for that program” was vetoed by the governor July 26, 2000.

In the first and second sentences of subsection (1), as amended by Act 121 of 2001, the phrases “and for 2002-2003” and “and $8,900,000.00 for 2002-2003” were vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1625a Payment of amount to educating district; information provided by district in which pupil counted in membership and educating district.

Sec. 25a. If a pupil described in section 6(6)(f) enrolls pursuant to section 6(6)(f) during a school year in a district other than the district in which the pupil is counted in membership, the educating district shall report the enrollment information to the department and to the district in which the pupil is counted in membership, and the district in which the pupil is counted in membership shall pay to the educating district an amount equal to the amount of the foundation allowance received by the district in which the pupil is counted in membership, prorated according to the number of days of the school year ending in the fiscal year the pupil is educated in the educating district compared to the number of days of the school year ending in the fiscal year the pupil was actually enrolled in the district in which the pupil is counted in membership. If a district does not make the payment required under this section within 30 days after receipt of the report, the department shall calculate the amount owed, shall deduct that amount from the remaining state school aid payments to the district for that fiscal year under this act, and shall pay that amount to the educating district. The district in which the pupil is counted in membership and the educating district shall provide to the department all information the department requires to enforce this section.

History: Add. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1625b Applicability of section to educating district not first class; conditions; “educating district” defined.

Sec. 25b. (1) Beginning in 2000-2001, this section applies to an educating district's enrollment of a pupil if the educating district is not a school district of the first class under the revised school code and if all of the following apply:

(a) The pupil transfers from 1 of 3 other districts specified by the educating district and enrolls in the educating district after the pupil membership count day.

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

(b) Due to the pupil's enrollment status as of the pupil membership count day, the pupil was counted in membership in the district from which he or she transfers.

(c) The pupil was a resident of the educating district on the pupil membership count day or met other eligibility criteria under section 6(4) or (6) to be counted in membership in the educating district if the pupil had been enrolled in the educating district on the pupil membership count day.

(d) The total number of pupils enrolled in the district who are described in subdivisions (a), (b), and (c) and who transfer from 1 of the 3 other districts specified by the educating district is at least equal to the greater of 25 or 1% of the educating district's membership.

(2) If the conditions specified in subsection (1) are met, and a pupil transfers from 1 of the 3 other specified districts described in subsection (1)(d) and enrolls during a school year in the educating district, the educating district shall report the enrollment information to the department and to the district in which the pupil is counted in membership, and the district in which the pupil is counted in membership shall pay to the educating district an amount equal to the amount of the foundation allowance or per pupil payment as calculated under section 20 for the district in which the pupil is counted in membership, prorated according to the number of days of the school year ending in the fiscal year the pupil is educated in the educating district compared to the number of days of the school year ending in the fiscal year the pupil was actually enrolled in the district in which the pupil is counted in membership. The foundation allowance or per pupil payment shall be adjusted by the pupil's full-time equated status as affected by the membership definition under section 6(4). If a district does not make the payment required under this section within 30 days after receipt of the report, the department shall calculate the amount owed, shall deduct that amount from the remaining state school aid payments to the district for that fiscal year under this act, and shall pay that amount to the educating district. The district in which the pupil is counted in membership and the educating district shall provide to the department all information the department requires to enforce this section.

(3) In determining the total amount a district owes to the educating district under this section, regardless of whether that district is otherwise eligible for payment from the educating district under this section, the district may calculate and subtract from the amount owed, using the calculation described in subsection (1), any amount applicable to pupils who transfer to that district from the educating district and meet the requirements of subsection (1)(a) to (c).

(4) As used in this section, “educating district” means the district in which a pupil enrolls after the pupil membership count day as described in subsection (1).

History: Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001.

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1626a Reimbursements to districts, intermediate districts, and school aid fund pursuant to MCL 125.2692; time of allocations.

Sec. 26a. From the state school aid fund appropriation in section 11, there is allocated an amount not to exceed $37,650,000.00 for 2006-2007, and from the general fund appropriation in section 11, there is allocated an amount not to exceed $12,550,000.00 for 2006-2007 to reimburse districts, intermediate districts, and the state school aid fund pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2006 or for payments to districts as reimbursement for interest paid as a result of property tax refunds. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

History: Add. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Imd. Eff. Aug. 11, 2003;—Am. 2003, Act 236, Imd. Eff. Dec. 29, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase “and 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 236 of 2003 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

amendatory act and in 2003 PA 158 and 2002 PA 521 from state sources for fiscal year 2003-2004 is estimated at $11,290,087,100.00 and state appropriations to be paid to local units of government for fiscal year 2003-2004 are estimated at $11,274,332,800.00."

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1631a Funding to eligible districts and public school academies; additional allowance; early intervening program; number of pupils meeting criteria for free breakfast, lunch, or milk; "at-risk pupil" defined.

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

(2) To be eligible to receive funding under this section, other than funding under subsection (6), (7), or (8), a district or public school academy that has not been previously determined to be eligible shall apply to the department, in a form and manner prescribed by the department, and a district or public school academy must meet all of the following:

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

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

(3) Except as otherwise provided in this subsection, an eligible district or eligible public school academy shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year, an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or public school academy's per pupil amount calculated under section 20, plus the amount of the district's per pupil allocation under section 20j(2), not to exceed $6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current state fiscal year and $5,000.00, minus $200.00, or of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year. A public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

current fiscal year and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year.

(4) Except as otherwise provided in this section, a district or public school academy receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical or counseling services, for at-risk pupils; for school health clinics; and for the purposes of subsection (5), (6), (7), or (8). In addition, a district that is organized as a school district of the first class under the revised school code or a district or public school academy in which at least 50% of the pupils in membership met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), may use not more than 15% of the funds it receives under this section for school security. A district or public school academy shall not use any of that money for administrative costs or to supplant another program or other funds, except for funds allocated to the district or public school academy under this section in the immediately preceding year and already being used by the district or public school academy for at-risk pupils. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year and may include, but are not limited to, tutorial services, early childhood programs to serve children age 0 to 5, and reading programs as described in former section 32f as in effect for 2001-2002. A tutorial method may be conducted with paraprofessionals working under the supervision of a certificated teacher. The ratio of pupils to paraprofessionals shall be between 10:1 and 15:1. Only 1 certificated teacher is required to supervise instruction using a tutorial method. As used in this subsection, "to supplant another program" means to take the place of a previously existing instructional program or direct noninstructional services funded from a funding source other than funding under this section.

(5) Except as otherwise provided in subsection (13), a district or public school academy that receives funds under this section and that operates a school breakfast program under section 1272a of the revised school code, MCL 380.1272a, shall use from the funds received under this section an amount, not to exceed $10.00 per pupil for whom the district or public school academy receives funds under this section, necessary to operate the school breakfast program.

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

(7) From the funds allocated under subsection (1), there is allocated for 2006-2007 an amount not to exceed $5,150,000.00 for the state portion of the hearing and vision screenings as described in section 9301 of the public health code, 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of the total cost of the screenings. The frequency of the screenings shall be as required under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan administrative code. Funds shall be awarded in a form and manner approved jointly by the department and the department of community health.

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

(9) Each district or public school academy receiving funds under this section shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district or public school academy of funds under this section, which report shall include at least a brief description of each program conducted by the district or public school academy using funds under this section, the amount of funds under this section allocated to each of those programs, the number of at-risk pupils eligible for free or reduced price school lunch who were served by each of those programs, and the total number of at-risk

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

pupils served by each of those programs. If a district or public school academy does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy complies with this subsection. If the district or public school academy does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

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

(11) Subject to subsections (5), (6), (7), (8), (13), and (14), any district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) exceeds the district's aggregate percentage of those pupils. Subject to subsections (5), (6), (7), (8), (13), and (14), if a district obtains a waiver from the department, the district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) is at least 60% of the district's aggregate percentage of those pupils and at least 30% of the total number of pupils enrolled in the school building. To obtain a waiver, a district must apply to the department and demonstrate to the satisfaction of the department that the class size reductions would be in the best interests of the district's at-risk pupils.

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

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

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

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

(b) Provides early intervening strategies using school-wide systems of academic and behavioral supports and is scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A school-wide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

(15) If necessary, and before any proration required under section 11, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated under this section and then dividing that amount by the

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

total statewide number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection (1).

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

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

(18) As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets at least 2 of the following criteria: is a victim of child abuse or neglect; is below grade level in English language and communication skills or mathematics; is a pregnant teenager or teenage parent; is eligible for a federal free or reduced-price lunch subsidy; has atypical behavior or attendance patterns; or has a family history of school failure, incarceration, or substance abuse. For pupils for whom the results of at least the applicable Michigan education assessment program (MEAP) test have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve at least a score of level 2 on the most recent MEAP English language arts, mathematics, or science test for which results for the pupil have been received. For pupils for whom the results of the Michigan merit examination have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve proficiency on the reading component of the most recent Michigan merit examination for which results for the pupil have been received, did not achieve proficiency on the mathematics component of the most recent Michigan merit examination for which results for the pupil have been received, or did not achieve basic competency on the science component of the most recent Michigan merit examination for which results for the pupil have been received. For pupils in grades K-3, at-risk pupil also includes a pupil who is at risk of not meeting the district's core academic curricular objectives in English language arts or mathematics.

History: Add. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Imd. Eff. July 12, 1994;—Am. 1994, Act 360, Imd. Eff. Dec. 22, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2004, Act 593, Imd. Eff. Jan. 5, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 121, Imd. Eff. Apr. 14, 2006;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase “and for 2002-2003 an amount not to exceed $319,095,200.00” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1631d Reimbursement to districts providing school lunch programs.

Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not to exceed $22,495,100.00 for 2006-2007 for the purpose of making payments to districts and other eligible entities under this section.

(2) The amounts allocated from state sources under this section shall be used to pay the amount necessary to reimburse districts for 6.0127% of the necessary costs of the state mandated portion of the school lunch programs provided by those districts. The amount due to each district under this section shall be computed by the department using the methods of calculation adopted by the Michigan supreme court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492.

(3) The payments made under this section include all state payments made to districts so that each district receives at least 6.0127% of the necessary costs of operating the state mandated portion of the school lunch program in a fiscal year.

(4) The payments made under this section to districts and other eligible entities that are not required under section 1272a of the revised school code, MCL 380.1272a, to provide a school lunch program shall be in an amount not to exceed $10.00 per eligible pupil plus 5 cents for each free lunch and 2 cents for each reduced price lunch provided, as determined by the department.

(5) From the federal funds appropriated in section 11, there is allocated for 2006-2007 all available federal funding, estimated at $320,000,000.00, for the national school lunch program and all available federal funding, estimated at $2,506,000.00, for the emergency food assistance program.

(6) Notwithstanding section 17b, payments to eligible entities other than districts under this section shall be paid on a schedule determined by the department.

History: Add. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Imd. Eff. Aug. 11, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1632d School readiness or preschool and parenting program grants; evaluation; contract; report; "employment status" defined.

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

Sec. 32d. (1) From the state school aid fund money appropriated under section 11, there is allocated an amount not to exceed $78,600,000.00 for 2006-2007 for school readiness or preschool and parenting program grants to enable eligible districts, as determined under section 37, to develop or expand, in conjunction with whatever federal funds may be available, including, but not limited to, federal funds under title I of the elementary and secondary education act of 1965, 20 USC 6301 to 6578, chapter 1 of title I of the Hawkins-Stafford elementary and secondary school improvement amendments of 1988, Public Law 100-297, and the head start act, 42 USC 9831 to 9852, comprehensive compensatory programs designed to do 1 or both of the following:

(a) Improve the readiness and subsequent achievement of educationally disadvantaged children as defined by the department who will be at least 4, but less than 5 years of age, as of December 1 of the school year in which the programs are offered, and who show evidence of 2 or more risk factors as defined in the state board report entitled "children at risk" that was adopted by the state board on April 5, 1988.

(b) Provide preschool and parenting education programs similar to those under former section 32b as in effect for 2001-2002.

(2) A comprehensive compensatory program funded under this section may include an age-appropriate educational curriculum, as described in the early childhood standards of quality for prekindergarten children adopted by the state board, that prepares children for success in school, including language, early literacy, and early mathematics. In addition, the comprehensive program shall include nutritional services, health screening for participating children, a plan for parent and legal guardian involvement, and provision of referral services for families eligible for community social services.

(3) In addition to the allocation under subsection (1), from the general fund money allocated under section 11, there is allocated an amount not to exceed $200,000.00 for 2006-2007 for a competitive grant to continue a longitudinal evaluation of children who have participated in the Michigan school readiness program.

(4) A district receiving a grant under this section may contract for the provision of the comprehensive compensatory program and retain for administrative services an amount equal to not more than 5% of the grant amount. A district may expend not more than 10% of the total grant amount for administration of the program.

(5) A grant recipient receiving funds under this section shall report to the department on the midyear report the number of children participating in the program who meet the income or other eligibility criteria specified under section 37(3)(g) and the total number of children participating in the program. For children participating in the program who meet the income or other eligibility criteria specified under section 37(3)(g), grant recipients shall also report whether or not a parent is available to provide care based on employment status. For the purposes of this subsection, "employment status" shall be defined by the department of human services in a manner consistent with maximizing the amount of spending that may be claimed for temporary assistance for needy families maintenance of effort purposes.

History: Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: In the first and last sentences of subsection (1), as amended by Act 121 of 2001, the phrases “and 2002-2003” and “and for 2002-2003” were vetoed by the governor September 28, 2001.

In subsection (2), as amended by Act 121 of 2001, the phrase “and 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1632f Repealed. 2005, Act 155, Eff. Oct. 1, 2005.

Compiler's note: The repealed section pertained to read, education, and develop youth kits.

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1632g, 388.1632h Repealed. 2002, Act 191, Imd. Eff. Apr. 26, 2002.

Compiler's note: The repealed sections pertained to summer school instruction and counseling services.

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1637 Eligibility of district for allocation under MCL 388.1632d; preapplication; final application; consortium; submission of resolution showing certain risk factors.

Sec. 37. (1) A district is eligible for an allocation under section 32d if the district meets all of the requirements in subsections (2), (3), and (4).

(2) The district shall submit a preapplication, in a manner and on forms prescribed by the department, by a date specified by the department in the immediately preceding state fiscal year. The preapplication shall include a comprehensive needs assessment and community collaboration plan, and shall identify all of the following:

(a) The estimated total number of children in the community who meet the criteria of section 32d and how that calculation was made.

(b) The estimated number of children in the community who meet the criteria of section 32d and are being served by other early childhood development programs operating in the community, and how that calculation was made.

(c) The number of children the district will be able to serve who meet the criteria of section 32d including a verification of physical facility and staff resources capacity.

(d) The estimated number of children who meet the criteria of section 32d who will remain unserved after the district and community early childhood programs have met their funded enrollments. The school district shall maintain a waiting list of identified unserved eligible children who would be served when openings are available.

(3) The district shall submit a final application for approval, in a manner and on forms prescribed by the department, by a date specified by the department. The final application shall indicate all of the following that apply:

(a) The district complies with the state board approved early childhood standards of quality for prekindergarten.

(b) The district provides for the active and continuous participation of parents or guardians of the children in the program, and describes the district's participation plan as part of the application.

(c) The district only employs for this program the following:

(*i*) Teachers possessing proper training. For programs the district manages itself, a valid teaching certificate and an early childhood (ZA) endorsement are required. This provision does not apply to a district that subcontracts with an eligible child development program. In that situation a teacher must have a valid Michigan teaching certificate with an early childhood (ZA) endorsement, a valid Michigan teaching certificate with a child development associate credential, or a bachelor’s degree in child development with specialization in preschool teaching. However, both of the following apply to this subparagraph:

(A) If a district demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, teachers who have significant but incomplete training in early childhood education or child development may be employed by the district if the district provides to the department, and the department approves, a plan for each teacher to come into compliance with the standards in this subparagraph. A teacher's compliance plan must be completed within 4 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses per calendar year.

(B) For a subcontracted program, the department shall consider a teacher with 90 credit hours and at least 4 years' teaching experience in a qualified preschool program to meet the requirements under this subparagraph.

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

(*ii*) Paraprofessionals possessing proper training in early childhood development, including an associate's degree in early childhood education or child development or the equivalent, or a child development associate (CDA) credential, or the equivalent as approved by the state board. However, if a district demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, the district may employ paraprofessionals who have completed at least 1 course in early childhood education or child development if the district provides to the department, and the department approves, a plan for each paraprofessional to come into compliance with the standards in this subparagraph. A paraprofessional's compliance plan must be completed within 2 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses or 60 clock hours of training per calendar year.

(d) The district has submitted for approval a program budget that includes only those costs not reimbursed or reimbursable by federal funding, that are clearly and directly attributable to the early childhood readiness program, and that would not be incurred if the program were not being offered. If children other than those determined to be educationally disadvantaged participate in the program, state reimbursement under section 32d shall be limited to the portion of approved costs attributable to educationally disadvantaged children.

(e) The district has established a, or has joined a multidistrict, multiagency, school readiness advisory committee consisting of, at a minimum, classroom teachers for prekindergarten, kindergarten, and first grade; parents or guardians of program participants; representatives from appropriate community agencies and organizations; the district curriculum director or equivalent administrator; and, if feasible, a school psychologist, school social worker, or school counselor. In addition, there shall be on the committee at least 1 parent or guardian of a program participant for every 18 children enrolled in the program, with a minimum of 2 parent or guardian representatives. The committee shall do all of the following:

(*i*) Ensure the ongoing articulation of the early childhood, kindergarten, and first grade programs offered by the district or districts.

(*ii*) Review the mechanisms and criteria used to determine participation in the early childhood program.

(*iii*) Review the health screening program for all participants.

(*iv*) Review the nutritional services provided to program participants.

(*v*) Review the mechanisms in place for the referral of families to community social service agencies, as appropriate.

(*vi*) Review the collaboration with and the involvement of appropriate community, volunteer, and social service agencies and organizations in addressing all aspects of educational disadvantage.

(*vii*) Review, evaluate, and make recommendations to a local school readiness program or programs for changes to the school readiness program.

(f) The district has submitted for departmental approval a plan to conduct and report annual school readiness program evaluations and continuous improvement plans using criteria approved by the department. At a minimum, the evaluations shall include a self-assessment of program quality and assessment of the gains in educational readiness and progress of the children participating in the program.

(g) More than 50% of the children participating in the program live with families with a household income that is equal to or less than 250% of the federal poverty level.

(4) A consortium of 2 or more districts shall be eligible for an allocation under section 32d if the districts designate a single fiscal agent for the allocation. A district or intermediate district may administer a consortium described in this subsection. A consortium shall submit a single preapplication and application for the children to be served, regardless of the number of districts participating in the consortium.

(5) With the final application, an applicant district shall submit to the department a resolution adopted by its board certifying the number of 4-year-old children who show evidence of risk factors as described in section 32d who live with families with a household income that is less than or equal to 250% of the federal poverty level.

History: Add. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00.

"Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1641 Instruction for pupils of limited English-speaking ability; allocation; reimbursement; use of funds.

Sec. 41. From the appropriation in section 11, there is allocated an amount not to exceed $2,800,000.00 for 2006-2007 to applicant districts and intermediate districts offering programs of instruction for pupils of limited English-speaking ability under section 1153 of the revised school code, MCL 380.1153. Reimbursement shall be on a per pupil basis and shall be based on the number of pupils of limited English-speaking ability in membership on the pupil membership count day. Funds allocated under this section shall be used solely for instruction in speaking, reading, writing, or comprehension of English. A pupil shall not be counted under this section or instructed in a program under this section for more than 3 years.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980;—Am. 1981, Act 36, Eff. Oct. 1, 1981;—Am. 1981, Act 113, Eff. Oct. 1, 1981;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Section 2 of Act 220 of 1987 provides: “In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is $2,334,299,200.00 and state appropriations to be paid to local units of government are $2,005,216,000.00.”

Section 4 of Act 220 of 1987 provides: “The changes effected by this amendatory act shall be applied retroactively to October 1, 1987.”

In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase “and for 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1651a Allocations for reimbursement to districts and intermediate districts for special education programs, services, and personnel, certain net tuition payments, and programs for pupils eligible for special education programs; allocation of state and federal funds;

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

reimbursement; total payment; adjustments; rights, benefits, and tenure of transferred personnel; refund; foundation allowance; order of expenditures.

Sec. 51a. (1) From the appropriation in section 11, there is allocated for 2005-2006 an amount not to exceed $932,083,000.00 from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at $345,850,000.00, plus any carryover federal funds from previous year appropriations. From the appropriation in section 11, there is allocated for 2006-2007 an amount not to exceed $991,983,000.00 from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at $350,700,000.00, plus any carryover federal funds from previous year appropriations. The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the deaf and blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. All federal funds allocated under this section in excess of those allocated under this section for 2002-2003 may be distributed in accordance with the flexible funding provisions of the individuals with disabilities education act, Public Law 108-446, including, but not limited to, 34 CFR 300.234 and 300.235. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

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

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

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

(3) From the funds allocated under subsection (1), there is allocated each fiscal year for 2005-2006 and for 2006-2007 the amount necessary, estimated at $2,200,000.00 for 2005-2006 and $1,600,000.00 for 2006-2007, to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. Adjustments for reductions in special education program operations or services shall be made in a manner determined by the department and shall include adjustments

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

for program or service shifts.

(4) If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) is not sufficient to fulfill the specified percentages in subsection (2), then the shortfall shall be paid to the district or intermediate district during the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) exceeds the sum of the amount necessary to fulfill the specified percentages in subsection (2), then the department shall deduct the amount of the excess from the district's or intermediate district's payments under this act for the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. However, if the amount allocated under subsection (2)(a) in itself exceeds the amount necessary to fulfill the specified percentages in subsection (2), there shall be no deduction under this subsection.

(5) State funds shall be allocated on a total approved cost basis. Federal funds shall be allocated under applicable federal requirements, except that an amount not to exceed $3,500,000.00 may be allocated by the department each fiscal year for 2005-2006 and for 2006-2007 to districts, intermediate districts, or other eligible entities on a competitive grant basis for programs, equipment, and services that the department determines to be designed to benefit or improve special education on a statewide scale.

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

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

(a) "Total approved costs of special education" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53a programs. The total approved costs include salary and other compensation for all approved special education personnel for the program, including payments for social security and medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not included. Special education approved personnel not utilized full time in the evaluation of students or in the delivery of special education programs, ancillary, and other related services shall be reimbursed under this section only for that portion of time actually spent providing these programs and services, with the exception of special education programs and services provided to youth placed in child caring institutions or juvenile detention programs approved by the department to provide an on-grounds education program.

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

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

(d) If the department determines before bookclosing for 2005-2006 that the amounts allocated for 2005-2006 under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 will exceed expenditures

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

for 2005-2006 under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56, then for 2005-2006 only, for a district or intermediate district whose reimbursement for 2005-2006 would otherwise be affected by subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for that district or intermediate district and reimbursement for that district or intermediate district shall be calculated in the same manner as it was for 2003-2004. If the amount of the excess allocations under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 is not sufficient to fully fund the calculation of reimbursement to those districts and intermediate districts under this subdivision, then the calculations and resulting reimbursement under this subdivision shall be prorated on an equal percentage basis.

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

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

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

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

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

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

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

(a) Pupils described in section 53a.

(b) Pupils counted in membership in an intermediate district who are not special education pupils and are served by the intermediate district in a juvenile detention or child caring facility.

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

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

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

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

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

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

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

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

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

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

History: Add. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1998, Act 553, Imd. Eff. Jan. 27, 1999;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2004, Act 518, Imd. Eff. Jan. 3, 2005;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 90, Imd. Eff. Apr. 4, 2006;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at $11,113,522, 200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1651b Funding; compliance with rules.

Sec. 51b. A district or intermediate district shall not receive funds under this article unless the district or intermediate district complies with rules promulgated under article 3 of the revised school code, being sections 380.1701 to 380.1766 of the Michigan Compiled Laws.

History: Add. 1996, Act 300, Eff. Oct. 1, 1996.

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1651c Reimbursement for percentage of special education and special education transportation costs.

Sec. 51c. As required by the court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under section 51a(1), there is allocated each fiscal year for 2005-2006 and for 2006-2007 the amount necessary, estimated at $662,300,000.00 for 2005-2006 and $708,200,000.00 for 2006-2007, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

be used to supplement the allocations under sections 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

History: Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 98, Imd. Eff. July 22, 2005;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 98 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2004-2005 in this amendatory act, 2004 PA 518, 2004 PA 351, and 2004 PA 185 is estimated at $11,113,522, 200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,050,922,200.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1652 Special education programs and services; reimbursement; limitation.

Sec. 52. Reimbursement for the necessary costs of special education programs and services shall be a portion determined by the amount allocated under section 51a(1), but not to exceed 75% of the total approved costs of operating special education programs and services approved by the department and included or applying for inclusion in the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, for special education pupils other than those programs funded under section 53a, and of the costs of summer programs and services and the costs of providing room and board for special education pupils, as approved by the department. If the state financed proportion of reimbursement of the necessary costs of a special education activity or service required by article 3 of the revised school code, MCL 380.1701 to 380.1766, which is in addition to or different from the special education activities or services required under sections 611 to 620 of part B of the individuals with disabilities education act, title VI of Public Law 91-230, 20 U.S.C. 1411 to 1420, is less than the state financed proportion of the necessary costs of that activity or service in 1978-79, the portion of the amount appropriated shall be increased to reimburse that activity or service accordingly.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1653a Special education programs and services; reimbursement of total approved costs; limitation; costs of transportation; allocation.

Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2) shall be 100% of the total approved costs of operating special education programs and services approved by the department and included in the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, minus the district's foundation allowance calculated under section 20, and minus the amount calculated for the district under section 20j. For intermediate districts, reimbursement for pupils described in subsection (2) shall be calculated in the same manner as for a district, using the foundation

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

allowance under section 20 of the pupil's district of residence, not to exceed $6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current fiscal year and $5,000.00, minus $200.00, and under section 20j.

(2) Reimbursement under subsection (1) is for the following special education pupils:

(a) Pupils assigned to a district or intermediate district through the community placement program of the courts or a state agency, if the pupil was a resident of another intermediate district at the time the pupil came under the jurisdiction of the court or a state agency.

(b) Pupils who are residents of institutions operated by the department of community health.

(c) Pupils who are former residents of department of community health institutions for the developmentally disabled who are placed in community settings other than the pupil's home.

(d) Pupils enrolled in a department-approved on-grounds educational program longer than 180 days, but not longer than 233 days, at a residential child care institution, if the child care institution offered in 1991-92 an on-grounds educational program longer than 180 days but not longer than 233 days.

(e) Pupils placed in a district by a parent for the purpose of seeking a suitable home, if the parent does not reside in the same intermediate district as the district in which the pupil is placed.

(3) Only those costs that are clearly and directly attributable to educational programs for pupils described in subsection (2), and that would not have been incurred if the pupils were not being educated in a district or intermediate district, are reimbursable under this section.

(4) The costs of transportation shall be funded under this section and shall not be reimbursed under section 58.

(5) Not more than $12,800,000.00 of the allocation for 2006-2007 in section 51a(1) shall be allocated under this section.

History: Add. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Former MCL 388.1653a, which pertained to competitive contract bidding process to provide education services to emotionally impaired pupils, was repealed by Act 175 of 1993, Eff. Oct. 1, 1993.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

In the second sentence of subsection (1), the reference to "section (2)" evidently should read "subsection (2)."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1657 Advanced and accelerated students; grants.

Sec. 57. (1) From the appropriation in section 11, there is allocated an amount not to exceed $285,000.00 for 2006-2007 for grants to intermediate districts for advanced and accelerated students.

(2) To qualify for funding under this section, a grant recipient shall support part of the cost of summer institutes for advanced and accelerated students and, to the extent the funding allows, provide comprehensive programs for advanced and accelerated pupils.

(3) Except as otherwise provided in this subsection, the amount of a single grant award under this section shall not exceed $5,000.00. Intermediate districts may form a consortium, and that consortium may receive a

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

maximum grant amount of $5,000.00 for each participant intermediate district. Each intermediate district or consortium must apply for grant funding by April 1, 2007 and demonstrate compliance with subsection (2).

(4) A district, intermediate district, or consortium that receives a grant under this section shall provide at least a 25% match for grant money received under this section from local public or private resources.

(5) Any unallocated grant funds may be allocated to intermediate districts and consortia receiving grants under this section in an equal amount per intermediate district.

History: Add. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Former MCL 388.1657, which pertained to allocation for special education students, was repealed by Act 128 of 1987, Eff. Oct. 1, 1987.

In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase “and for 2002-2003” was vetoed by the governor September 28, 2001.

In the first sentence of subsection (2), as amended by Act 121 of 2001, the phrase “and for 2002-2003” was vetoed by the governor September 28, 2001.

In the first sentence of subsection (3), as amended by Act 121 of 2001, the phrase “and an amount not to exceed $4,000,000.00 for 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1658 Special education transportation services; basis.

Sec. 58. Allocations to districts and intermediate districts under section 51a for providing special education transportation services shall be based on data reported by the districts and intermediate districts for the current school year.

History: Add. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997.

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1661a Vocational-technical programs; added cost; reimbursement for local vocational administration, shared-time vocational administration, and career education planning district vocational-technical administration; allocation.

Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not to exceed $30,000,000.00 for 2006-2007 to reimburse on an added cost basis districts, except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, and secondary area vocational-technical education centers for secondary-level vocational-technical education programs, including parenthood education programs, according to rules approved by the superintendent. Applications for participation in the programs shall be submitted in the form prescribed by the department. The department shall determine the added cost for each vocational-technical program area. The allocation of added cost funds shall be based on the type of vocational-technical programs provided, the number of pupils enrolled, and the

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

length of the training period provided, and shall not exceed 75% of the added cost of any program. With the approval of the department, the board of a district maintaining a secondary vocational-technical education program may offer the program for the period from the close of the school year until September 1. The program shall use existing facilities and shall be operated as prescribed by rules promulgated by the superintendent.

(2) Except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, districts and intermediate districts shall be reimbursed for local vocational administration, shared time vocational administration, and career education planning district vocational-technical administration. The definition of what constitutes administration and reimbursement shall be pursuant to guidelines adopted by the superintendent. Not more than $800,000.00 of the allocation in subsection (1) shall be distributed under this subsection.

(3) From the allocation in subsection (1), there is allocated an amount not to exceed $388,700.00 for 2006-2007 to intermediate districts with constituent districts that had combined state and local revenue per membership pupil in the 1994-95 state fiscal year of $6,500.00 or more, served as a fiscal agent for a state board designated area vocational education center in the 1993-94 school year, and had an adjustment made to their 1994-95 combined state and local revenue per membership pupil pursuant to section 20d. The payment under this subsection to the intermediate district shall equal the amount of the allocation to the intermediate district for 1996-97 under this subsection.

History: Add. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: In the first sentence of subsection (1), as amended by Act 121 of 2001, the phrase “and for 2002-2003” was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

“Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963.”

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1667 Repealed. 2003, Act 158, Eff. Oct. 1, 2003.

Compiler's note: The repealed section pertained to Michigan career preparation system grants.

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1668 Repealed. 2004, Act 351, Eff. Oct. 1, 2004.

Compiler's note: The repealed section pertained to Michigan career preparation system.

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1695 Repealed. 2002, Act 191, Imd. Eff. Apr. 26, 2002.

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

Compiler's note: The repealed section pertained to teacher professional development training program.

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1701 Eligibility to receive state aid; filing certified and sworn copy of enrollment; failure to file; withholding state aid; falsification; minimum hours of pupil instruction; forfeiture; certification; strikes or teachers' conferences; rules; hours not counted as pupil instruction; alternative scheduling program; certification of planned number of hours of pupil instruction; conditions requiring forfeiture; waiver for alternative education program; counting qualifying professional development as pupil instruction.

Sec. 101. (1) To be eligible to receive state aid under this act, not later than the fifth Wednesday after the pupil membership count day and not later than the fifth Wednesday after the supplemental count day, each district superintendent through the secretary of the district's board shall file with the intermediate superintendent a certified and sworn copy of the number of pupils enrolled and in regular daily attendance in the district as of the pupil membership count day and as of the supplemental count day, as applicable, for the current school year. In addition, a district maintaining school during the entire year, as provided under section 1561 of the revised school code, MCL 380.1561, shall file with the intermediate superintendent a certified and sworn copy of the number of pupils enrolled and in regular daily attendance in the district for the current school year pursuant to rules promulgated by the superintendent. Not later than the seventh Wednesday after the pupil membership count day and not later than the seventh Wednesday after the supplemental count day, the intermediate district shall transmit to the center revised data, as applicable, for each of its constituent districts. If a district fails to file the sworn and certified copy with the intermediate superintendent in a timely manner, as required under this subsection, the intermediate district shall notify the department and state aid due to be distributed under this act shall be withheld from the defaulting district immediately, beginning with the next payment after the failure and continuing with each payment until the district complies with this subsection. If an intermediate district fails to transmit the data in its possession in a timely and accurate manner to the center, as required under this subsection, state aid due to be distributed under this act shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If a district or intermediate district does not comply with this subsection by the end of the fiscal year, the district or intermediate district forfeits the amount withheld. A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment shall be punished in the manner prescribed by section 161.

(2) To be eligible to receive state aid under this act, not later than the twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-fourth Wednesday after the supplemental count day, an intermediate district shall submit to the center, in a form and manner prescribed by the center, the audited enrollment and attendance data for the pupils of its constituent districts and of the intermediate district. If an intermediate district fails to transmit the audited data as required under this subsection, state aid due to be distributed under this act shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If an intermediate district does not comply with this subsection by the end of the fiscal year, the intermediate district forfeits the amount withheld.

(3) All of the following apply to the provision of pupil instruction:

(a) Except as otherwise provided in this section, each district shall provide at least 1,098 hours of pupil instruction. Except as otherwise provided in this act, a district failing to comply with the required minimum hours of pupil instruction under this subsection shall forfeit from its total state aid allocation an amount determined by applying a ratio of the number of hours the district was in noncompliance in relation to the required minimum number of hours under this subsection. Not later than August 1, the board of each district shall certify to the department the number of hours of pupil instruction in the previous school year. If the district did not provide at least the required minimum number of hours of pupil instruction under this subsection, the deduction of state aid shall be made in the following fiscal year from the first payment of state school aid. A district is not subject to forfeiture of funds under this subsection for a fiscal year in which a forfeiture was already imposed under subsection (6). Hours lost because of strikes or teachers' conferences shall not be counted as days or hours of pupil instruction.

(b) Except as otherwise provided in subdivision (c), a district not having at least 75% of the district's membership in attendance on any day of pupil instruction shall receive state aid in that proportion of 1/180 that the actual percent of attendance bears to the specified percentage.

(c) Beginning in 2005-2006, at the request of a district that operates a department-approved alternative education program and that does not provide instruction for pupils in all of grades K to 12, the superintendent

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

shall grant a waiver for a period of 3 school years from the requirements of subdivision (b) in order to conduct a pilot study. The waiver shall indicate that an eligible district is subject to the proration provisions of subdivision (b) only if the district does not have at least 50% of the district's membership in attendance on any day of pupil instruction. Not later than 2008-2009, the department shall report on the impact of this waiver on the academic achievement of pupils in these districts to the state budget director and the senate and house appropriations subcommittees on state school aid. In order to be eligible for this waiver, a district must maintain records to substantiate its compliance with the following requirements during the pilot study:

(*i*) The district offers the minimum hours of pupil instruction as required under this section.

(*ii*) For each enrolled pupil, the district uses appropriate academic assessments to develop an individual education plan that leads to a high school diploma.

(*iii*) The district tests each pupil to determine academic progress at regular intervals and records the results of those tests in that pupil's individual education plan.

(d) The superintendent shall promulgate rules for the implementation of this subsection.

(4) Except as otherwise provided in this subsection, the first 30 hours for which pupil instruction is not provided because of conditions not within the control of school authorities, such as severe storms, fires, epidemics, utility power unavailability, water or sewer failure, or health conditions as defined by the city, county, or state health authorities, shall be counted as hours of pupil instruction. Beginning in 2003-2004, with the approval of the superintendent of public instruction, the department shall count as hours of pupil instruction for a fiscal year not more than 30 additional hours for which pupil instruction is not provided in a district after April 1 of the applicable school year due to unusual and extenuating occurrences resulting from conditions not within the control of school authorities such as those conditions described in this subsection. Subsequent such hours shall not be counted as hours of pupil instruction.

(5) A district shall not forfeit part of its state aid appropriation because it adopts or has in existence an alternative scheduling program for pupils in kindergarten if the program provides at least the number of hours required under subsection (3) for a full-time equated membership for a pupil in kindergarten as provided under section 6(4).

(6) Not later than April 15 of each fiscal year, the board of each district shall certify to the department the planned number of hours of pupil instruction in the district for the school year ending in the fiscal year. In addition to any other penalty or forfeiture under this section, if at any time the department determines that 1 or more of the following has occurred in a district, the district shall forfeit in the current fiscal year beginning in the next payment to be calculated by the department a proportion of the funds due to the district under this act that is equal to the proportion below the required minimum number of hours of pupil instruction under subsection (3), as specified in the following:

(a) The district fails to operate its schools for at least the required minimum number of hours of pupil instruction under subsection (3) in a school year, including hours counted under subsection (4).

(b) The board of the district takes formal action not to operate its schools for at least the required minimum number of hours of pupil instruction under subsection (3) in a school year, including hours counted under subsection (4).

(7) In providing the minimum number of hours of pupil instruction required under subsection (3), a district shall use the following guidelines, and a district shall maintain records to substantiate its compliance with the following guidelines:

(a) Except as otherwise provided in this subsection, a pupil must be scheduled for at least the required minimum number of hours of instruction, excluding study halls, or at least the sum of 90 hours plus the required minimum number of hours of instruction, including up to 2 study halls.

(b) The time a pupil is assigned to any tutorial activity in a block schedule may be considered instructional time, unless that time is determined in an audit to be a study hall period.

(c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for whom a reduced schedule is determined to be in the individual pupil's best educational interest must be scheduled for a number of hours equal to at least 80% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil. A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced schedule under this subsection if the pupil is scheduled for a number of hours equal to at least 75% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil.

(d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program or a special education pupil cannot receive the required minimum number of hours of pupil instruction solely because of travel time between instructional sites during the school day, that travel time, up to a maximum of 3 hours per school week, shall be considered to be pupil instruction time for the purpose of determining whether the pupil is receiving the required minimum number of hours of pupil instruction. However, if a district demonstrates to the satisfaction of the department that the travel time limitation under this subdivision would create undue

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

costs or hardship to the district, the department may consider more travel time to be pupil instruction time for this purpose.

(e) In grades 7 through 12, instructional time that is part of a junior reserve officer training corps (JROTC) program shall be considered to be pupil instruction time regardless of whether the instructor is a certificated teacher if all of the following are met:

(*i*) The instructor has met all of the requirements established by the United States department of defense and the applicable branch of the armed services for serving as an instructor in the junior reserve officer training corps program.

(*ii*) The board of the district or intermediate district employing or assigning the instructor complies with the requirements of sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if employing the instructor as a regular classroom teacher.

(8) The department shall apply the guidelines under subsection (7) in calculating the full-time equivalency of pupils.

(9) Upon application by the district for a particular fiscal year, the superintendent may waive for a district the minimum number of hours of pupil instruction requirement of subsection (3) for a department-approved alternative education program. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, for the fiscal year covered by the waiver the district is not subject to forfeiture under this section for the specific program covered by the waiver. If the district does not comply with the terms of the waiver, the amount of the forfeiture shall be calculated based upon a comparison of the number of hours of pupil instruction actually provided to the minimum number of hours of pupil instruction required under subsection (3).

(10) A district may count up to 38 hours of qualifying professional development for teachers, including the 5 hours of online professional development provided by the Michigan virtual university under section 98, as hours of pupil instruction. However, if a collective bargaining agreement that provides more than 38 but not more than 51 hours of professional development for teachers is in effect for employees of a district as of the effective date of the 2006 amendatory act that amended this subsection, then until the fiscal year that begins after the expiration of that collective bargaining agreement a district may count up to 51 hours of qualifying professional development for teachers, including the 5 hours of online professional development provided by the Michigan virtual university under section 98, as hours of pupil instruction. A district that elects to use this exception shall notify the department of its election. As used in this subsection, "qualifying professional development" means professional development that is focused on 1 or more of the following:

(a) Achieving or improving adequate yearly progress as defined under the no child left behind act of 2001, Public Law 107-110.

(b) Achieving accreditation or improving a school's accreditation status under section 1280 of the revised school code, MCL 380.1280.

(c) Achieving highly qualified teacher status as defined under the no child left behind act of 2001, Public Law 107-110.

(d) Maintaining teacher certification.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1983, Act 169, Eff. Oct. 1, 1983;—Am. 1984, Act 239, Eff. Oct. 1, 1984;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1986, Act 298, Imd. Eff. Dec. 22, 1986;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 142, Imd. Eff. July 15, 1992;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Imd. Eff. June 30, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000 ;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 476, Imd. Eff. June 27, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003; —Am. 2004, Act 127, Imd. Eff. June 3, 2004;—Am. 2004, Act 351, Imd. Eff. Sept. 30, 2004;—Am. 2005, Act 41, Imd. Eff. June 7, 2005 ;—Am. 2005, Act 155, Imd. Eff. Sept. 30, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: The last sentence of subsection (4), as amended by Act 180 of 1996, which provided “However, for 1995-96 only, for a school district at or above townline 16, the first 5 days for which pupil instruction is not provided because of conditions described in this subsection shall be counted as days of pupil instruction.” was vetoed by the governor on April 22, 1996.

Enacting section 1 of Act 351 of 2004 provides:

“Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.”

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

Administrative rules: R 340.1 et seq. of the Michigan Administrative Code.

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1707 Allocation for adult education programs.

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed $24,000,000.00 for 2006-2007 for adult education programs authorized under this section.

(2) To be eligible to be a participant funded under this section, a person shall be enrolled in an adult basic education program, an adult English as a second language program, a general educational development (G.E.D.) test preparation program, a job or employment related program, or a high school completion program, that meets the requirements of this section, and shall meet either of the following, as applicable:

(a) If the individual has obtained a high school diploma or a general educational development (G.E.D.) certificate, the individual meets 1 of the following:

(*i*) Is less than 20 years of age on September 1 of the school year and is enrolled in the state technical institute and rehabilitation center.

(*ii*) Is less than 20 years of age on September 1 of the school year, is not attending an institution of higher education, and is enrolled in a job or employment-related program through a referral by an employer.

(*iii*) Is enrolled in an English as a second language program.

(*iv*) Is enrolled in a high school completion program.

(b) If the individual has not obtained a high school diploma or G.E.D. certificate, the individual meets 1 of the following:

(*i*) Is at least 20 years of age on September 1 of the school year.

(*ii*) Is at least 16 years of age on September 1 of the school year, has been permanently expelled from school under section 1311(2) or 1311a of the revised school code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program available through his or her district of residence.

(3) Except as otherwise provided in subsection (4), from the amount allocated under subsection (1), $22,500,000.00 shall be distributed as follows:

(a) For districts and consortia that received payments for 2005-2006 under this section, the amount allocated to each for 2006-2007 shall be based on the number of participants served by the district or consortium for 2006-2007, using the amount allocated per full-time equated participant under subsection (6), up to a maximum total allocation under this subsection in an amount equal to 107.1% of the amount the district or consortium received for 2005-2006 under this section before any reallocations made for 2005-2006 under subsection (4).

(b) A district or consortium that received funding in 2003-2004 under this section may operate independently of a consortium or join or form a consortium for 2006-2007. The allocation for 2006-2007 to the district or the newly formed consortium under this subsection shall be determined by the department of labor and economic growth and shall be based on the proportion of the amounts that are attributable to the district or consortium that received funding in 2005-2006. A district or consortium described in this subdivision shall notify the department of labor and economic growth of its intention with regard to 2006-2007 by October 1, 2006.

(4) A district that operated an adult education program in 2005-2006 and does not intend to operate a program in 2006-2007 shall notify the department of labor and economic growth by October 1, 2006 of its intention. The funds intended to be allocated under this section to a district that does not operate a program in 2006-2007 and the unspent funds originally allocated under this section to a district or consortium that subsequently operates a program at less than the level of funding allocated under subsection (3) shall instead be proportionately reallocated to the other districts described in subsection (3)(a) that are operating an adult education program in 2006-2007 under this section.

(5) From the amount allocated under subsection (1), $1,500,000.00 shall be allocated as follows:

(a) At least $1,300,000.00 shall be allocated for districts or consortia that did not receive payments for 2005-2006 under this section and that notify the department of labor and economic growth by October 1, 2006 of an intention to operate a program in 2006-2007 and provide an estimate of full-time equated participants to be served. The allocation for 2006-2007 shall be based on the number of participants served by the district or consortium for 2006-2007, using the amount allocated per full-time equated participant under

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

subsection (6), up to a maximum total allocation under this subsection in an amount equal to $1,400,000.00.

(b) Up to a maximum of $200,000.00 shall be allocated for not more than 1 grant not to exceed $200,000.00 for expansion of an existing innovative community college program that focuses on educating adults. Grants may be used for program operating expenses such as staffing, rent, equipment, and other expenses. To be eligible for this grant funding, a program must meet the following criteria:

(*i*) Collaborates with local districts and businesses to determine area academic needs and to promote the learning opportunities.

(*ii*) Is located off-campus in an urban residential setting with documented high poverty and low high school graduation rates.

(*iii*) Provides general educational development (G.E.D.) test preparation courses and workshops.

(*iv*) Provides developmental courses taught by college faculty that prepare students to be successful in college-level courses.

(*v*) Uses learning communities to allow for shared, rather than isolated, learning experiences.

(*vi*) Provides on-site tutoring.

(*vii*) Provides access to up-to-date technology, including personal computers.

(*viii*) Partners with a financial institution to provide financial literacy education.

(*ix*) Assists students in gaining access to financial aid.

(*x*) Provides on-site academic advising to students.

(*xi*) Provides vouchers for reduced G.E.D. testing costs.

(*xii*) Partners with local agencies to provide referrals for social services as needed.

(*xiii*) Enrolls participants as students of the community college.

(*xiv*) Partners with philanthropic and business entities to provide capital funding.

(c) After October 1, 2006, if the department of labor and economic growth determines that there will be unspent funds under this subsection, then those unspent funds shall instead be proportionally reallocated to the districts or consortia that receive funds under subsection (3)(a) and under this subsection.

(6) The amount allocated under this section per full-time equated participant is $2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a program offering less than 450 hours of instruction.

(7) An adult basic education program or an adult English as a second language program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who are determined by an appropriate assessment to be below ninth grade level in reading or mathematics, or both, or to lack basic English proficiency.

(b) The program tests individuals for eligibility under subdivision (a) before enrollment and tests participants to determine progress after every 90 hours of attendance, using assessment instruments approved by the department of labor and economic growth.

(c) A participant in an adult basic education program is eligible for reimbursement until 1 of the following occurs:

(*i*) The participant's reading and mathematics proficiency are assessed at or above the ninth grade level.

(*ii*) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

(d) A funding recipient enrolling a participant in an English as a second language program is eligible for funding according to subsection (11) until the participant meets 1 of the following:

(*i*) The participant is assessed as having attained basic English proficiency.

(*ii*) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction. The department of labor and economic growth shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(8) A general educational development (G.E.D.) test preparation program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program shall administer a G.E.D. pre-test approved by the department of labor and economic growth before enrolling an individual to determine the individual's potential for success on the G.E.D. test, and shall administer other tests after every 90 hours of attendance to determine a participant's readiness to take the G.E.D. test.

(c) A funding recipient shall receive funding according to subsection (11) for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(*i*) The participant passes the G.E.D. test.

(*ii*) The participant fails to show progress on 2 successive tests used to determine readiness to take the G.E.D. test after having completed at least 450 hours of instruction.

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

(9) A high school completion program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) A funding recipient shall receive funding according to subsection (11) for a participant in a course offered under this subsection until 1 of the following occurs:

(*i*) The participant passes the course and earns a high school diploma.

(*ii*) The participant fails to earn credit in 2 successive semesters or terms in which the participant is enrolled after having completed at least 900 hours of instruction.

(10) A job or employment-related adult education program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults referred by their employer who are less than 20 years of age, have a high school diploma, are determined to be in need of remedial mathematics or communication arts skills and are not attending an institution of higher education.

(b) An individual may be enrolled in this program and the grant recipient shall receive funding according to subsection (11) until 1 of the following occurs:

(*i*) The individual achieves the requisite skills as determined by appropriate assessment instruments administered at least after every 90 hours of attendance.

(*ii*) The individual fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction. The department of labor and economic growth shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(11) A funding recipient shall receive payments under this section in accordance with the following:

(a) Ninety percent for enrollment of eligible participants.

(b) Ten percent for completion of the adult basic education objectives by achieving an increase of at least 1 grade level of proficiency in reading or mathematics; for achieving basic English proficiency; for passage of the G.E.D. test; for passage of a course required for a participant to attain a high school diploma; or for completion of the course and demonstrated proficiency in the academic skills to be learned in the course, as applicable.

(12) As used in this section, "participant" means the sum of the number of full-time equated individuals enrolled in and attending a department-approved adult education program under this section, using quarterly participant count days on the schedule described in section 6(7)(b).

(13) A person who is not eligible to be a participant funded under this section may receive adult education services upon the payment of tuition. In addition, a person who is not eligible to be served in a program under this section due to the program limitations specified in subsection (7), (8), (9), or (10) may continue to receive adult education services in that program upon the payment of tuition. The tuition level shall be determined by the local or intermediate district conducting the program.

(14) An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section.

(15) A district shall not commingle money received under this section or from another source for adult education purposes with any other funds of the district. A district receiving adult education funds shall establish a separate ledger account for those funds. This subsection does not prohibit a district from using general funds of the district to support an adult education or community education program.

(16) A district or intermediate district receiving funds under this section may establish a sliding scale of tuition rates based upon a participant's family income. A district or intermediate district may charge a participant tuition to receive adult education services under this section from that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per participant shall not exceed the actual operating cost per participant minus any funds received under this section per participant. A district or intermediate district may not charge a participant tuition under this section if the participant's income is at or below 200% of the federal poverty guidelines published by the United States department of health and human services.

History: Add. 1996, Act 300, Imd. Eff. June 19, 1996;—Am. 1997, Act 24, Imd. Eff. June 16, 1997;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Former MCL 388.1707, which pertained to adult education programs, was repealed by Act 336 of 1993, Eff. Oct. 1, 1994.

In subsection (1), as amended by Act 121 of 2001, the phrase “and for 2002-2003” was vetoed by the governor September 28, 2001.

In subdivision (3)(a), as amended by Act 121 of 2001, the phrase “and 2002-2003” was vetoed by the governor September 28, 2001.

In subdivision (3)(b), as amended by Act 121 of 2001, the phrase “and for 2002-2003” was vetoed by the governor September 28, 2001.

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Subsection (16), as amended by Act 158 of 2003, was vetoed by the governor on August 11, 2003.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00."

Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1747 Allocations to public school employees' retirement system.

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

History: Add. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 1998, Act 339, Imd. Eff. Oct. 13, 1998;—Am. 1999, Act 119, Imd. Eff. July 20, 1999;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004;—Am. 2005, Act 155, Eff. Oct. 1, 2005;—Am. 2006, Act 342, Eff. Oct. 1, 2006.

Compiler's note: Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at $11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,113,650,400.00.

"Enacting section 1 of 2005 PA 155 provides:

"Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at $11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at $11,341,913,100.00."

Enacting section 1 of Act 342 of 2006 provides:

"Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov

388.1751 Statement of taxable value; duty of tax tribunal; report.

Sec. 151. (1) The treasurer of each county shall furnish to the department, on or before August 1 of each year following the receipt of assessment rolls, a statement of the taxable value of each district and fraction of a district within the county, using forms furnished by the department. On or before May 1 of each year, the treasurer of each county shall submit to the department revisions to the taxable value for the immediately preceding year of each district and fraction of a district within the county, using forms furnished by the department. On or before October 1 of each year, the treasurer of each county shall submit to the department revisions to the taxable value for the years after 1993 of each district and fraction of a district within the county, using forms furnished by the department. The reports required by this subsection shall also contain the amount of ad valorem taxable value captured for school operating taxes under a tax increment financing plan under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672.

(2) Not later than the tenth day of each month, the tax tribunal created by the tax tribunal act, 1973 PA 186, MCL 205.701 to 205.779, shall report to the department the changes in taxable value for tax years after 1993 that are not reported to the department under subsection (1) and that are caused by tax tribunal decisions in the immediately preceding month for homestead and qualified agricultural property, as defined in section 1211 of the revised school code, MCL 380.1211, and for property that is not homestead or qualified agricultural property, in each district and intermediate district. The report shall also contain the amount of taxable value captured under a tax increment financing plan described in subsection (1) for school operating tax purposes.

History: 1979, Act 94, Eff. Oct. 1, 1979;—Am. 1985, Act 110, Eff. Oct. 1, 1985;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1994, Act 283, Imd. Eff. July 12, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 2000, Act 297, Imd. Eff. July 26, 2000.

© Legislative Council, State of Michigan Courtesy of www.legislature.mi.gov