

June 10, 1999

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4498**
(As amended June 10, 1999)

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 6, 11, 11f, 11g, 13, 17b, 18, 20, 20b, 24,
26a, 31a, 31c, 36, 36a, 41, 51a, 53a, 54, 56, 57, 61a, 62, 63,
67, 68, 74, 81, 91b, 94, 99, 101, 104a, 105, 107, 147, and 166b
(MCL 388.1606, 388.1611, 388.1611f, 388.1611g, 388.1613,
388.1617b, 388.1618, 388.1620, 388.1620b, 388.1624, 388.1626a,
388.1631a, 388.1631c, 388.1636, 388.1636a, 388.1641, 388.1651a,
388.1653a, 388.1654, 388.1656, 388.1657, 388.1661a, 388.1662,
388.1663, 388.1667, 388.1668, 388.1674, 388.1681, 388.1691b,
388.1694, 388.1699, 388.1701, 388.1704a, 388.1705, 388.1707,
388.1747, and 388.1766b), sections 6, 11, 11g, 17b, 20, 20b, 26a,
31a, 51a, 63, 81, and 105 as amended by 1998 PA 553, sections
11f, 24, 31c, 36, 36a, 41, 53a, 54, 56, 57, 61a, 62, 68, 74, 94,
99, 101, 107, 147, and 166b as amended by 1998 PA 339, sections

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13 and 18 as amended by 1996 PA 300, section 67 as amended by
1997 PA 142, section 91b as added by 1995 PA 130, and section
104a as amended by 1997 PA 176, and by adding sections 20j, 20k,
31d, 32, 33, 34, and 105c; and to repeal acts and parts of
acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) "Center program" means a program operated by a
2 district or intermediate district for special education pupils
3 from several districts in programs for the autistically impaired,
4 trainable mentally impaired, severely mentally impaired, severely
5 multiply impaired, hearing impaired, physically and otherwise
6 health impaired, and visually impaired. Programs for emotionally
7 impaired pupils housed in buildings that do not serve regular
8 education pupils also qualify. Unless otherwise approved by the
9 department, a center program either shall serve all constituent
10 districts within an intermediate district or shall serve several
11 districts with less than 50% of the pupils residing in the oper-
12 ating district. In addition, special education center program
13 pupils placed part-time in noncenter programs to comply with the
14 least restrictive environment provisions of section 612 of part B
15 of the individuals with disabilities education act, title VI of
16 Public Law 91-230, 20 U.S.C. 1412, may be considered center pro-
17 gram pupils for pupil accounting purposes for the time scheduled
18 in either a center program or a noncenter program.

19 (2) "District pupil retention rate" means the proportion of
20 pupils who have not dropped out of school in the immediately

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1 preceding school year and is equal to 1 minus the quotient of the
2 number of pupils unaccounted for in the immediately preceding
3 school year, as determined pursuant to subsection (3), divided by
4 the pupils of the immediately preceding school year.

5 (3) "District pupil retention report" means a report of the
6 number of pupils, excluding migrant and adult, in the district
7 for the immediately preceding school year, adjusted for those
8 pupils who have transferred into the district, transferred out of
9 the district, transferred to alternative programs, and have grad-
10 uated, to determine the number of pupils who are unaccounted
11 for. The number of pupils unaccounted for shall be calculated as
12 determined by the department.

13 (4) "Membership", except as otherwise provided in this act,
14 means FOR 1998-99 for a district, public school academy, univer-
15 sity school, or intermediate district the sum of the product of
16 .6 times the number of full-time equated pupils in grades K to 12
17 actually enrolled and in regular daily attendance on the pupil
18 membership count day for the current school year, plus the pro-
19 duct of .4 times the final audited count from the supplemental
20 count day for the immediately preceding school year. ~~—~~ FOR
21 1999-2000, MEMBERSHIP MEANS FOR A DISTRICT, PUBLIC SCHOOL ACADE-
22 MY, UNIVERSITY SCHOOL, OR INTERMEDIATE DISTRICT THE SUM OF THE
23 PRODUCT OF .75 TIMES THE NUMBER OF FULL-TIME EQUATED PUPILS IN
24 GRADES K TO 12 ACTUALLY ENROLLED AND IN REGULAR DAILY ATTENDANCE
25 ON THE PUPIL MEMBERSHIP COUNT DAY FOR THE CURRENT SCHOOL YEAR,
26 PLUS THE PRODUCT OF .25 TIMES THE FINAL AUDITED COUNT FROM THE
27 SUPPLEMENTAL COUNT DAY FOR THE IMMEDIATELY PRECEDING SCHOOL

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1 YEAR. FOR 2000-2001, MEMBERSHIP MEANS FOR A DISTRICT, PUBLIC
2 SCHOOL ACADEMY, UNIVERSITY SCHOOL, OR INTERMEDIATE DISTRICT THE
3 SUM OF THE PRODUCT OF .8 TIMES THE NUMBER OF FULL-TIME EQUATED
4 PUPILS IN GRADES K TO 12 ACTUALLY ENROLLED AND IN REGULAR DAILY
5 ATTENDANCE ON THE PUPIL MEMBERSHIP COUNT DAY FOR THE CURRENT
6 SCHOOL YEAR, PLUS THE PRODUCT OF .2 TIMES THE FINAL AUDITED COUNT
7 FROM THE SUPPLEMENTAL COUNT DAY FOR THE IMMEDIATELY PRECEDING
8 SCHOOL YEAR. ALL PUPIL COUNTS USED IN THIS SUBSECTION ARE as
9 determined by the department and calculated by adding the number
10 of pupils registered for attendance plus pupils received by
11 transfer and minus pupils lost as defined by rules promulgated by
12 the ~~state board~~ SUPERINTENDENT, and as corrected by a subse-
13 quent department audit. The amount of the foundation allowance
14 for a pupil in membership is determined under section 20. In
15 making the calculation of membership, all of the following, as
16 applicable, apply to determining the membership of a district,
17 public school academy, university school, or intermediate
18 district:

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

23 (b) If a pupil is educated in a district other than the
24 pupil's district of residence and the educating district is not
25 in the same intermediate district as the pupil's district of res-
26 idence, if the pupil is not being educated as part of a
27 cooperative education program, if the pupil's district of

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (m) An individual who has obtained a high school diploma
21 shall not be counted in membership. An individual who has
22 obtained a general education development (G.E.D.) certificate
23 shall not be counted in membership. An individual participating
24 in a job training program funded under former section 107a or a
25 jobs program funded under former section 107b, ~~both~~ adminis-
26 tered by the Michigan ~~jobs commission~~ STRATEGIC FUND OR THE
27 DEPARTMENT OF CAREER DEVELOPMENT, or participating in any

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1 successor of either of those 2 programs, shall not be counted in
2 membership.

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

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

23 (ii) If the public school academy provides instruction for
24 less than 1/2 of the class hours specified in subdivision (q),
25 the district or intermediate district providing the remainder of
26 the hours of instruction shall receive as its prorated share of
27 the full-time equated membership for each of those pupils an

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

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

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

13 (q) The number of class hours used to calculate full-time
14 equated memberships shall be consistent with section 1284 of the
15 revised school code, MCL 380.1284. In determining full-time
16 equated memberships for pupils who are enrolled in a postsecond-
17 ary institution, a pupil shall not be considered to be less than
18 a full-time equated pupil solely because of the effect of his or
19 her postsecondary enrollment, including necessary travel time, on
20 the number of class hours provided by the district to the pupil.

21 (r) Full-time equated memberships for pupils in kindergarten
22 shall be determined by dividing the number of class hours sched-
23 uled and provided per year per kindergarten pupil by a number
24 equal to 1/2 the number used for determining full-time equated
25 memberships for pupils in grades 1 to 12.

26 (s) For a district that has qualified currently migrant
27 pupils enrolled in the district as of the pupil membership count

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1 day who were not counted in membership in the district on the
2 supplemental count day for the immediately preceding school year,
3 as determined by the department using the criteria used for eli-
4 gibility for the migrant education program under the improving
5 America's schools act of 1994, Public Law 103-382, 108
6 Stat. 3518, the number of those pupils counted in the district's
7 membership is 3/4 of the number of those pupils counted on the
8 pupil membership count day only.

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

25 (u) A pupil enrolled in a cooperative education program may
26 be counted in membership in the pupil's district of residence

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1 with the written approval of all parties to the cooperative
2 agreement.

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

17 (i) The district provides at least 2 nonconsecutive hours of
18 instruction per week to the pupil at the pupil's home under the
19 supervision of a certificated teacher.

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

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

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

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

5 (x) ~~For 1997-98 only, if~~ IF a pupil was enrolled in a
6 public school academy on the pupil membership count day, if the
7 public school academy's contract with its authorizing body is
8 revoked, and if the pupil enrolls in a district within 45 days
9 after the pupil membership count day, the department shall adjust
10 the district's pupil count for the pupil membership count day to
11 include the pupil in the count.

12 (Y) FOR 1999-2000, FOR A PUBLIC SCHOOL ACADEMY THAT HAS BEEN
13 IN OPERATION FOR AT LEAST 2 YEARS AND THAT SUSPENDED OPERATIONS
14 FOR AT LEAST 1 SEMESTER AND IS RESUMING OPERATIONS, MEMBERSHIP IS
15 THE SUM OF THE PRODUCT OF .75 TIMES THE NUMBER OF FULL-TIME
16 EQUATED PUPILS IN GRADES K TO 12 ACTUALLY ENROLLED AND IN REGULAR
17 DAILY ATTENDANCE ON THE FIRST PUPIL MEMBERSHIP COUNT DAY OR SUP-
18 PLEMENTAL COUNT DAY, WHICHEVER IS FIRST, OCCURRING AFTER OPERA-
19 TIONS RESUME, PLUS THE PRODUCT OF .25 TIMES THE FINAL AUDITED
20 COUNT FROM THE MOST RECENT PUPIL MEMBERSHIP COUNT DAY OR SUPPLE-
21 MENTAL COUNT DAY THAT OCCURRED BEFORE SUSPENDING OPERATIONS, AS
22 DETERMINED BY THE SUPERINTENDENT. FOR 2000-2001, FOR A PUBLIC
23 SCHOOL ACADEMY THAT HAS BEEN IN OPERATION FOR AT LEAST 2 YEARS
24 AND THAT SUSPENDED OPERATIONS FOR AT LEAST 1 SEMESTER AND IS
25 RESUMING OPERATIONS, MEMBERSHIP IS THE SUM OF THE PRODUCT OF .8
26 TIMES THE NUMBER OF FULL-TIME EQUATED PUPILS IN GRADES K TO 12
27 ACTUALLY ENROLLED AND IN REGULAR DAILY ATTENDANCE ON THE FIRST

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1 PUPIL MEMBERSHIP COUNT DAY OR SUPPLEMENTAL COUNT DAY, WHICHEVER
2 IS FIRST, OCCURRING AFTER OPERATIONS RESUME, PLUS THE PRODUCT OF
3 .2 TIMES THE FINAL AUDITED COUNT FROM THE MOST RECENT PUPIL MEM-
4 BERSHIP COUNT DAY OR SUPPLEMENTAL COUNT DAY THAT OCCURRED BEFORE
5 SUSPENDING OPERATIONS, AS DETERMINED BY THE SUPERINTENDENT.

6 (5) "Public school academy" means a public school academy OR
7 STRICT DISCIPLINE ACADEMY operating under the revised school
8 code.

9 (6) "Pupil" means a person in membership in a public
10 school. A district must have the approval of the pupil's dis-
11 trict of residence to count the pupil in membership, except
12 approval by the pupil's district of residence shall not be
13 required for any of the following:

14 (a) ~~Nonpublic~~ A NONPUBLIC part-time ~~pupils~~ PUPIL
15 enrolled in grades 1 to 12 in accordance with section 166b.

16 (b) ~~Pupils~~ A PUPIL receiving 1/2 or less of ~~their~~ HIS OR
17 HER instruction in a district other than ~~their~~ THE PUPIL'S dis-
18 trict of residence.

19 (c) ~~Pupils~~ A PUPIL enrolled in a public school academy or
20 university school.

21 (d) ~~Pupils~~ A PUPIL enrolled in a district other than
22 ~~their~~ THE PUPIL'S district of residence under an intermediate
23 district schools of choice pilot program as described in
24 section 91a or former section 91 if the intermediate district and
25 its constituent districts have been exempted from section 105.

26 (e) ~~Pupils~~ A PUPIL enrolled in a district other than
27 ~~their~~ THE PUPIL'S district of residence but within the same

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1 intermediate district if the educating district enrolls
2 nonresident pupils in accordance with section 105.

3 (f) ~~Pupils~~ A PUPIL enrolled in a district other than
4 ~~their~~ THE PUPIL'S district of residence if the ~~pupils have~~
5 PUPIL HAS been continuously enrolled in the educating district
6 since a school year in which the ~~pupils~~ PUPIL enrolled in the
7 educating district under section 105 OR 105C and in which the
8 educating district enrolled nonresident pupils in accordance with
9 section 105 OR 105C.

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

25 (i) "At school" means in a classroom, elsewhere on school
26 premises, on a school bus or other school-related vehicle, or at

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1 a school-sponsored activity or event whether or not it is held on
2 school premises.

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

8 (H) A PUPIL ENROLLED IN A CONTIGUOUS DISTRICT LOCATED IN
9 ANOTHER INTERMEDIATE DISTRICT, AS DESCRIBED IN SECTION 105C, IF
10 THE EDUCATING DISTRICT ENROLLS THOSE NONRESIDENT PUPILS IN
11 ACCORDANCE WITH SECTION 105C.

12 (I) A PUPIL WHOSE DISTRICT OF RESIDENCE CHANGED AFTER THE
13 PUPIL MEMBERSHIP COUNT DAY AND BEFORE THE SUPPLEMENTAL COUNT DAY
14 AND WHO CONTINUES TO BE ENROLLED ON THE SUPPLEMENTAL COUNT DAY AS
15 A NONRESIDENT IN THE DISTRICT IN WHICH HE OR SHE WAS ENROLLED AS
16 A RESIDENT ON THE PUPIL MEMBERSHIP COUNT DAY OF THE SAME SCHOOL
17 YEAR.

18 (J) A PUPIL ENROLLED IN AN ALTERNATIVE EDUCATION PROGRAM
19 OPERATED BY A DISTRICT OTHER THAN HIS OR HER DISTRICT OF
20 RESIDENCE. HOWEVER, THIS SUBDIVISION DOES NOT APPLY UNTIL LEGIS-
21 LATION IS ENACTED TO SPECIFY THE POLICIES FOR ITS IMPLEMENTATION
22 INCLUDING THE TYPES OF ALTERNATIVE EDUCATION PROGRAMS AFFECTED.

23 However, if a district that is not a first class district
24 educates pupils who reside in a first class district and if the
25 primary instructional site for those pupils is located within the
26 boundaries of the first class district, the educating district
27 must have the approval of the first class district to count those

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1 pupils in membership. As used in this subsection, "first class
2 district" means a district organized as a school district of the
3 first class under the revised school code.

4 (7) "Pupil membership count day" of a district or intermedi-
5 ate district means:

6 (a) Except as provided in subdivision (b), the fourth
7 Wednesday in September each school year.

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

10 (i) Fourth Wednesday in July.

11 (ii) Fourth Wednesday in September.

12 (iii) Second Wednesday in February.

13 (iv) Fourth Wednesday in April.

14 (8) "PUPILS IN GRADES K TO 12 ACTUALLY ENROLLED AND IN REGU-
15 LAR DAILY ATTENDANCE" MEANS PUPILS IN GRADES K TO 12 IN
16 ATTENDANCE AND RECEIVING INSTRUCTION IN ALL CLASSES FOR WHICH
17 THEY ARE ENROLLED ON THE PUPIL MEMBERSHIP COUNT DAY OR THE SUP-
18 PLEMENTAL COUNT DAY, AS APPLICABLE. A PUPIL WHO IS ABSENT FROM
19 ANY OF THE CLASSES IN WHICH THE PUPIL IS ENROLLED ON THE PUPIL
20 MEMBERSHIP COUNT DAY OR SUPPLEMENTAL COUNT DAY AND WHO DOES NOT
21 ATTEND EACH OF THOSE CLASSES DURING THE 10 CONSECUTIVE SCHOOL
22 DAYS IMMEDIATELY FOLLOWING THE PUPIL MEMBERSHIP COUNT DAY OR SUP-
23 PLEMENTAL COUNT DAY, EXCEPT FOR A PUPIL WHO HAS BEEN EXCUSED BY
24 THE DISTRICT, SHALL NOT BE COUNTED AS 1.0 FULL-TIME EQUATED
25 MEMBERSHIP. IN ADDITION, A PUPIL WHO IS EXCUSED FROM ATTENDANCE
26 ON THE PUPIL MEMBERSHIP COUNT DAY OR SUPPLEMENTAL COUNT DAY AND
27 WHO FAILS TO ATTEND EACH OF THE CLASSES IN WHICH THE PUPIL IS

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1 ENROLLED WITHIN 30 CALENDAR DAYS AFTER THE PUPIL MEMBERSHIP COUNT
2 DAY OR SUPPLEMENTAL COUNT DAY SHALL NOT BE COUNTED AS 1.0
3 FULL-TIME EQUATED MEMBERSHIP. PUPILS NOT COUNTED AS 1.0
4 FULL-TIME EQUATED MEMBERSHIP DUE TO AN ABSENCE FROM A CLASS SHALL
5 BE COUNTED AS A PRORATED MEMBERSHIP FOR THE CLASSES THE PUPIL
6 ATTENDED. FOR PURPOSES OF THIS SUBSECTION, "CLASS" MEANS A
7 PERIOD OF TIME IN 1 DAY WHEN PUPILS AND A CERTIFICATED TEACHER OR
8 LEGALLY QUALIFIED SUBSTITUTE TEACHER ARE TOGETHER AND INSTRUCTION
9 IS TAKING PLACE.

10 (9) ~~(8)~~ "Rule" means a rule promulgated pursuant to the
11 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
12 24.328.

13 (10) ~~(9)~~ "The revised school code" means 1976 PA 451,
14 MCL 380.1 to 380.1852.

15 (11) ~~(10)~~ "School fiscal year" means a fiscal year that
16 commences July 1 and continues through June 30.

17 (12) ~~(11)~~ "State board" means the state board of
18 education.

19 (13) "SUPERINTENDENT", UNLESS THE CONTEXT CLEARLY REFERS TO
20 A DISTRICT OR INTERMEDIATE DISTRICT SUPERINTENDENT, MEANS THE
21 SUPERINTENDENT OF PUBLIC INSTRUCTION DESCRIBED IN SECTION 3 OF
22 ARTICLE VIII OF THE STATE CONSTITUTION OF 1963.

23 (14) ~~(12)~~ "Supplemental count day" means the day on which
24 the supplemental pupil count is conducted under section 6a.

25 (15) ~~(13)~~ "Tuition pupil" means a pupil of school age
26 attending school in a district other than the pupil's district of
27 residence for whom tuition may be charged. Tuition pupil does

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1 not include a pupil who is a special education pupil or a pupil
2 described in subsection (6)(d) to ~~(g)~~ (J). A pupil's district
3 of residence shall not require a high school tuition pupil, as
4 provided under section 111, to attend another school district
5 after the pupil has been assigned to a school district.

6 (16) ~~(14)~~ "State school aid fund" means the state school
7 aid fund established in section 11 of article IX of the state
8 constitution of 1963.

9 (17) ~~(15)~~ "Taxable value" means the taxable value of prop-
10 erty as determined under section 27a of the general property tax
11 act, 1893 PA 206, MCL 211.27a.

12 (18) ~~(16)~~ "Total state aid" or "total state school aid"
13 means the total combined amount of all funds due to a district,
14 intermediate district, or other entity under all of the provi-
15 sions of this act.

16 (19) ~~(17)~~ "University school" means an instructional pro-
17 gram operated by a public university under section 23 that meets
18 the requirements of section 23.

19 Sec. 11. (1) ~~For the fiscal year ending September 30,~~
20 ~~1998, there is appropriated for the public schools of this state~~
21 ~~and certain other state purposes relating to education the sum of~~
22 ~~\$8,717,471,600.00 from the state school aid fund established by~~
23 ~~section 11 of article IX of the state constitution of 1963 and~~
24 ~~the sum of \$377,935,400.00 from the general fund.~~ For the fiscal
25 year ending September 30, 1999, there is appropriated for the
26 public schools of this state and certain other state purposes
27 relating to education the sum of ~~-\$9,000,761,900.00~~

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1 ~~\$9,053,091,100.00~~ \$9,049,591,100.00 from the state school aid fund
established by
2 section 11 of article IX of the state constitution of 1963 and
3 the sum of \$420,613,500.00 from the general fund. For the fiscal
4 year ending September 30, 2000, there is appropriated for the
5 public schools of this state and certain other state purposes
6 relating to education the sum of ~~\$9,366,408,600.00~~
7 \$9,590,537,700.00 from the state school aid fund established by
8 section 11 of article IX of the state constitution of 1963 and
9 the sum of \$420,613,500.00 from the general fund. FOR THE FISCAL
10 YEAR ENDING SEPTEMBER 30, 2001, THERE IS APPROPRIATED FOR THE
11 PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES
12 RELATING TO EDUCATION THE SUM OF ~~\$10,053,830,900.00~~
\$10,033,634,700.00 FROM THE
13 STATE SCHOOL AID FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX OF
14 THE STATE CONSTITUTION OF 1963 AND THE SUM OF \$420,613,500.00
15 FROM THE GENERAL FUND. In addition, available federal funds are
16 appropriated ~~for 1997-98,~~ for 1998-99, ~~and~~ for 1999-2000, AND
17 FOR 2000-2001.

18 (2) The appropriations under this section shall be allocated
19 as provided in this act. Money appropriated under this section
20 from the general fund and from available federal funds shall be
21 expended to fund the purposes of this act before the expenditure
22 of money appropriated under this section from the state school
23 aid fund. If the maximum amount appropriated under this section
24 from the state school aid fund for a fiscal year exceeds the
25 amount necessary to fully fund allocations under this act from
26 the state school aid fund, that excess amount shall not be
27 expended in that state fiscal year and shall not lapse to the

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1 general fund, but instead shall remain in the state school aid
2 fund.

3 (3) If the maximum amount appropriated under this section
4 and sections 11f and 11g from the state school aid fund for a
5 fiscal year exceeds the amount available for expenditure from the
6 state school aid fund for that fiscal year, payments under sec-
7 tions 11f, 11g, and 51a(2) shall be made in full and payments
8 under each of the other sections of this act shall be prorated on
9 an equal percentage basis as necessary to reflect the amount
10 available for expenditure from the state school aid fund for that
11 fiscal year. However, if the department of treasury determines
12 that proration will be required under this subsection, the
13 department of treasury shall notify the ~~director of the depart-~~
14 ~~ment of management and budget~~ STATE BUDGET DIRECTOR, and the
15 ~~director of the department of management and budget~~ STATE
16 BUDGET DIRECTOR shall notify the legislature at least 30 calendar
17 days or 6 legislative session days, whichever is more, before the
18 department reduces any payments under this act because of the
19 proration. During the 30 calendar day or 6 legislative session
20 day period after that notification by the ~~director of the~~
21 ~~department of management and budget~~ STATE BUDGET DIRECTOR, the
22 department shall not reduce any payments under this act because
23 of proration under this subsection. The legislature may prevent
24 proration from occurring by, within the 30 calendar day or 6 leg-
25 islative session day period after that notification by the
26 ~~department of management and budget~~ STATE BUDGET DIRECTOR,
27 enacting legislation appropriating additional funds from the

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1 general fund, countercyclical budget and economic stabilization
2 fund, state school aid fund balance, or another source to fund
3 the amount of the projected shortfall.

4 Sec. 11f. (1) In addition to any other money appropriated
5 under this act, there is appropriated from the state school aid
6 fund an amount not to exceed \$32,000,000.00 each fiscal year for
7 the fiscal year ending September 30, 1999, for the fiscal year
8 ending September 30, 2000, FOR THE FISCAL YEAR ENDING SEPTEMBER
9 30, 2001, and for each succeeding fiscal year through the fiscal
10 year ending September 30, 2008. Payments under this section will
11 cease after September 30, 2008. These appropriations are for
12 paying the amounts described in subsection (4) to districts and
13 intermediate districts, other than those receiving a lump sum
14 payment under subsection (2), that were not plaintiffs in the
15 consolidated cases known as Durant v State of Michigan, Michigan
16 supreme court docket no. 104458-104492 and that, on or before
17 March 2, 1998, have submitted to the state treasurer a board res-
18 olution waiving any right or interest the district or intermedi-
19 ate district has or may have in any claim or litigation based on
20 or arising out of any claim or potential claim through September
21 30, 1997 that is or was similar to the claims asserted by the
22 plaintiffs in the consolidated cases known as Durant v State of
23 Michigan. The waiver resolution shall be in form and substance
24 as required under subsection (8). The state treasurer is autho-
25 rized to accept such a waiver resolution on behalf of this
26 state. The amounts described in this subsection represent offers
27 of settlement and compromise of any claim or claims that were or

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

3 (2) In addition to any other money appropriated under this
4 act, there is appropriated from the state school aid fund an
5 amount not to exceed \$1,700,000.00 for the fiscal year ending
6 September 30, 1999. This appropriation is for paying the amounts
7 described in this subsection to districts and intermediate dis-
8 tricts that were not plaintiffs in the consolidated cases known
9 as Durant v State of Michigan; that, on or before March 2, 1998,
10 have submitted to the state treasurer a board resolution waiving
11 any right or interest the district or intermediate district has
12 or may have in any claim or litigation based on or arising out of
13 any claim or potential claim through September 30, 1997 that is
14 or was similar to the claims asserted by the plaintiffs in the
15 consolidated cases known as Durant v State of Michigan; and for
16 which the total amount listed in section 11h and paid under this
17 section is less than \$75,000.00. The waiver resolution shall be
18 in form and substance as required under subsection (8). The
19 state treasurer is authorized to accept such a waiver resolution
20 on behalf of this state. For a district or intermediate district
21 qualifying for a payment under this subsection, the entire amount
22 listed for the district or intermediate district in section 11h
23 shall be paid in a lump sum on November 15, 1998 or on the next
24 business day following that date. The amounts paid under this
25 subsection represent offers of settlement and compromise of any
26 claim or claims that were or could have been asserted by these

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1 districts and intermediate districts, as described in this
2 subsection.

3 (3) This section does not create any obligation or liability
4 of this state to any district or intermediate district that does
5 not submit a waiver resolution described in subsection (1) or
6 (2). This section, any other provision of this act, and section
7 353e of the management and budget act, 1984 PA 431, MCL 18.1353e,
8 are not intended to admit liability or waive any defense that is
9 or would be available to this state or its agencies, employees,
10 or agents in any litigation or future litigation with a district
11 or intermediate district.

12 (4) The amount paid each fiscal year to each district or
13 intermediate district under subsection (1) shall be 1/20 of the
14 total amount listed in section 11h for each listed district or
15 intermediate district that qualifies for a payment under subsec-
16 tion (1). The amounts listed in section 11h and paid in part
17 under this subsection and in a lump sum under subsection (2) are
18 offers of settlement and compromise to each of these districts or
19 intermediate districts to resolve, in their entirety, any claim
20 or claims that these districts or intermediate districts may have
21 asserted for violations of section 29 of article IX of the state
22 constitution of 1963 through September 30, 1997, which claims are
23 or were similar to the claims asserted by the plaintiffs in the
24 consolidated cases known as Durant v State of Michigan. This
25 section, any other provision of this act, and section 353e of the
26 management and budget act, 1984 PA 431, MCL 18.1353e, shall not
27 be construed to constitute an admission of liability to the

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1 districts or intermediate districts listed in section 11h or a
2 waiver of any defense that is or would have been available to the
3 state or its agencies, employees, or agents in any litigation or
4 future litigation with a district or intermediate district.

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

8 (6) Funds paid to a district or intermediate district under
9 this section shall be used only for textbooks, electronic
10 instructional material, software, technology, infrastructure or
11 infrastructure improvements, school buses, school security,
12 training for technology, or to pay debt service on voter-approved
13 bonds issued by the district or intermediate district before the
14 effective date of this section. For intermediate districts only,
15 funds paid under this section may also be used for other nonre-
16 curring instructional expenditures including, but not limited to,
17 nonrecurring instructional expenditures for vocational education,
18 or for debt service for acquisition of technology for academic
19 support services. Funds received by an intermediate district
20 under this section may be used for projects conducted for the
21 benefit of its constituent districts at the discretion of the
22 intermediate board. To the extent payments under this section
23 are used by a district or intermediate district to pay debt serv-
24 ice on debt payable from millage revenues, and to the extent per-
25 mitted by law, the district or intermediate district may make a
26 corresponding reduction in the number of mills levied for that
27 debt service.

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1 (7) The appropriations under this section are from the money
2 appropriated and transferred to the state school aid fund from
3 the countercyclical budget and economic stabilization fund under
4 section 353e(2) and (3) of the management and budget act, 1984
5 PA 431, MCL 18.1353e.

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

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

17 Whereas, the district (or intermediate district) agrees to
18 settle and compromise these claims for the consideration
19 described in sections 11f and 11g of the state school aid act of
20 1979, 1979 PA 94, MCL 388.1611f and 388.1611g, and in the amount
21 specified for the district (or intermediate district) in
22 section 11h of the state school aid act of 1979, 1979 PA 94,
23 MCL 388.1611h.

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

26 Now, therefore, be it resolved as follows:

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

13 2. The board of _____ (name of district or
14 intermediate district) directs its secretary to submit a certi-
15 fied copy of this resolution to the state treasurer no later than
16 5 p.m. eastern standard time on March 2, 1998, and agrees that it
17 will not take any action to amend or rescind this resolution.

18 3. The board of _____ (name of district or
19 intermediate district) expressly agrees and understands that, if
20 it takes any action to amend or rescind this resolution, the
21 state, its agencies, employees, and agents shall have available
22 to them any privilege, immunity, and/or defense that would other-
23 wise have been available had the claims or potential claims been
24 actually litigated in any forum.

25 4. This resolution is contingent on continued payments by
26 the state each fiscal year as determined under sections 11f and
27 11g of the state school aid act of 1979, 1979 PA 94,

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1 MCL 388.1611f and 388.1611g. However, this resolution shall be
2 an irrevocable waiver of any claim to amounts actually received
3 by the school district or intermediate school district under sec-
4 tions 11f and 11g of the state school aid act of 1979.".

5 ~~—(9) In order for the democratic process to inform and shape~~
6 ~~distribution of the money paid under this section and section~~
7 ~~11g, as referenced in the Michigan supreme court's July 31, 1997~~
8 ~~opinion in the consolidated cases known as Durant v State of~~
9 ~~Michigan, before June 30, 1998, the board of a district or inter-~~
10 ~~mediate district that qualifies to receive funds under this sec-~~
11 ~~tion or section 11g shall hold a public hearing of the board to~~
12 ~~discuss how the board will use those funds and, if applicable,~~
13 ~~any proceeds from bonds that may be issued under section 11i.~~
14 ~~The board may hold this hearing as part of a regularly scheduled~~
15 ~~board meeting if the public notice of that regular meeting~~
16 ~~clearly indicates that the issue of use of funds received under~~
17 ~~this section and section 11g will be on the agenda at the regular~~
18 ~~meeting.—~~

19 Sec. 11g. (1) In addition to the appropriations under sec-
20 tion 11f and any other money appropriated under this act, there
21 is appropriated from the state school aid fund an amount not to
22 exceed \$40,000,000.00 for the fiscal year ending September 30,
23 1999. From the general fund money appropriated in section 11,
24 there is ~~appropriated~~ ALLOCATED an amount not to exceed
25 \$40,000,000.00 for the fiscal year ending September 30, 2000, FOR
26 THE FISCAL YEAR ENDING SEPTEMBER 30, 2001, and for each
27 succeeding fiscal year through the fiscal year ending September

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1 30, 2013. Payments under this section will cease after
2 September 30, 2013. These appropriations are for paying the
3 amounts described in subsection (3) to districts and intermediate
4 districts, other than those receiving a lump sum payment under
5 section 11f(2), that were not plaintiffs in the consolidated
6 cases known as Durant v State of Michigan, Michigan supreme court
7 docket no. 104458-104492 and that, on or before March 2, 1998,
8 have submitted to the state treasurer a waiver resolution
9 described in section 11f. The amounts paid under this section
10 represent offers of settlement and compromise of any claim or
11 claims that were or could have been asserted by these districts
12 and intermediate districts, as described in this section.

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

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

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

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

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

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

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

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

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

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

15 (7) The state school aid fund appropriation under this sec-
16 tion for 1998-99 is from the money appropriated and transferred
17 to the state school aid fund from the countercyclical budget and
18 economic stabilization fund under section 353e(2) of the manage-
19 ment and budget act, 1984 PA 431, MCL 18.1353e.

20 Sec. 13. Except as otherwise provided in this act, the
21 apportionments and limitations of the apportionments made under
22 this act shall be made on the membership and number of teachers
23 and other professionals approved by the superintendent ~~of public~~
24 ~~instruction~~ employed as of the pupil membership count day of
25 each year and on the taxable value and the operating millage of
26 each district for the calendar year. In addition, a district
27 maintaining school during the entire year, as provided in section

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1 1561 of the revised school code, ~~being section 380.1561 of the~~
2 ~~Michigan Compiled Laws~~ MCL 380.1561, shall count memberships and
3 teachers pursuant to rules promulgated by the ~~state board~~
4 SUPERINTENDENT.

5 Sec. 17b. (1) Not later than October 20, November 20,
6 December 20, January 20, February 20, March 20, April 20, May 20,
7 June 20, July 20, and August 20, the department shall prepare a
8 statement of the amount to be distributed under this act in the
9 installment to the districts and intermediate districts and
10 deliver the statement to the state treasurer, and the state trea-
11 surer shall pay the installments on each of those dates or on the
12 next business day following each of those dates. Except as oth-
13 erwise provided in this act, the portion of the district's or
14 intermediate district's state fiscal year entitlement to be
15 included in each installment shall be 1/11. ~~However, for~~
16 ~~1997-98 only, there shall not be an installment paid on August~~
17 ~~20, and the portion to be included in each installment shall be~~
18 ~~11.11% for the October and November payments; 9.72% for the~~
19 ~~December, January, February, March, April, May, and June pay-~~
20 ~~ments; and 9.74% for the July payment. The payments due to a~~
21 ~~district in 1997-98 on April 20, May 20, June 20, and July 20~~
22 ~~pursuant to this section each shall be reduced by an amount equal~~
23 ~~to 1/4 of the district's total additional payments in 1996-97~~
24 ~~under former section 20c.~~ A district or intermediate district
25 shall accrue the payments received in July and August to the
26 school fiscal year ending the immediately preceding June 30.

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1 (2) The state treasurer shall make payment under this
2 section by drawing a warrant in favor of the treasurer of each
3 district or intermediate district for the amount payable to the
4 district or intermediate district according to the statement and
5 delivering the warrant to the treasurer of each district or
6 intermediate district, or if the state treasurer receives a writ-
7 ten request by the treasurer of the district or intermediate dis-
8 trict specifying an account, by electronic funds transfer to that
9 account of the amount payable to the district or intermediate
10 district according to the statement. The department may make
11 adjustments in payments made under this section through addi-
12 tional payments when changes in law or errors in computation
13 cause the regularly scheduled payment to be less than the amount
14 to which the district or intermediate district is entitled pursu-
15 ant to this act.

16 (3) Except as otherwise specified in this act, grant pay-
17 ments under this act shall be paid according to subsection (1).

18 (4) Upon the written request of a district or intermediate
19 district and the submission of proof satisfactory to the depart-
20 ment of a need of a temporary and nonrecurring nature, the super-
21 intendent, with the written concurrence of the state treasurer
22 and the ~~director of management and budget~~ STATE BUDGET
23 DIRECTOR, may authorize an advance release of funds due a dis-
24 trict or intermediate district under this act. Such an advance
25 shall not cause funds to be paid to a district or intermediate
26 district more than 30 days earlier than the established payment
27 date for those funds.

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1 Sec. 18. (1) Except as provided in another section of this
2 act, each district or other entity shall apply the money received
3 by the district or entity under this act to salaries and other
4 compensation of teachers and other employees, tuition, transpor-
5 tation, lighting, heating, ventilation, water service, the pur-
6 chase of textbooks which are designated by the board to be used
7 in the schools under the board's charge, other supplies, and any
8 other school operating expenditures defined in section 7.

9 However, not more than 20% of the total amount received by a dis-
10 trict under article 2 or intermediate district under article 8
11 may be transferred by the board to either the capital projects
12 fund or to the debt retirement fund for debt service. The money
13 shall not be applied or taken for a purpose other than as pro-
14 vided in this section. The department shall determine the rea-
15 sonableness of expenditures and may withhold from a recipient of
16 funds under this act the apportionment otherwise due for the
17 fiscal year following the discovery by the department of a viola-
18 tion by the recipient.

19 (2) For the purpose of determining the reasonableness of
20 expenditures and whether a violation of this act has occurred,
21 the department shall require that each district and intermediate
22 district have an audit of the district's or intermediate
23 district's financial and pupil accounting records conducted at
24 least annually at the expense of the district or intermediate
25 district, as applicable, by a certified public accountant or by
26 the intermediate district superintendent, as may be required by
27 the department, or in the case of a district of the first class

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1 by a certified public accountant, the intermediate
2 superintendent, or the auditor general of the city. An interme-
3 diate district's annual financial audit shall be accompanied by
4 the intermediate district's pupil accounting procedures report.
5 A district's or intermediate district's annual financial audit
6 shall include an analysis of the financial and pupil accounting
7 data used as the basis for distribution of state school aid. The
8 pupil accounting records and reports, audits, and management let-
9 ters are subject to requirements established in the auditing and
10 accounting manuals approved and published by the department.
11 Except as otherwise provided in this subsection, a district shall
12 file the annual financial audit reports with the intermediate
13 district not later than 120 days after the end of each school
14 fiscal year and the intermediate district shall forward the
15 annual financial audit reports for its constituent districts and
16 for the intermediate district, and the pupil accounting proce-
17 dures report for the pupil membership count day and supplemental
18 count day, to the department not later than November 15 of each
19 year. The annual financial audit reports and pupil accounting
20 procedures reports shall be available to the public in compliance
21 with the freedom of information act, ~~Act No. 442 of the Public~~
22 ~~Acts of 1976, being sections 15.231 to 15.246 of the Michigan~~
23 ~~Compiled Laws~~ 1976 PA 442, MCL 15.231 TO 15.246. Not later than
24 December 1 of each year, the department shall notify the
25 ~~department of management and budget~~ STATE BUDGET DIRECTOR and
26 the legislative appropriations subcommittees responsible for
27 review of the school aid budget of districts and intermediate

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1 districts that have not filed an annual financial audit and pupil
2 accounting procedures report required under this section for the
3 school year ending in the immediately preceding fiscal year.

4 (3) Each district and intermediate district shall file with
5 the department by November 15 of each year an annual comprehen-
6 sive financial report, known as "Form B", on a form and in the
7 manner prescribed by the department.

8 (4) NOT LATER THAN JULY 1, 1999, THE DEPARTMENT SHALL
9 APPROVE AND PUBLISH PUPIL ACCOUNTING AND PUPIL AUDITING MANUALS.
10 THE DEPARTMENT SHALL REVIEW THOSE MANUALS AT LEAST ANNUALLY AND
11 SHALL PERIODICALLY UPDATE THOSE MANUALS TO REFLECT CHANGES IN
12 THIS ACT. THE PUPIL ACCOUNTING MANUALS IN EFFECT FOR THE 1996-97
13 SCHOOL YEAR, INCLUDING SUBSEQUENT REVISIONS ISSUED BY THE SUPER-
14 INTENDENT, SHALL BE THE INTERIM MANUALS IN EFFECT UNTIL NEW MANU-
15 ALS ARE APPROVED AND PUBLISHED. HOWEVER, THE CLARIFICATION OF
16 CLASS-BY-CLASS ACCOUNTING PROVIDED IN THE DEPARTMENT'S APRIL 15,
17 1998 MEMORANDUM ON PUPIL ACCOUNTING PROCEDURES SHALL BE EXCLUDED
18 FROM THE INTERIM MANUALS.

19 (5) ~~-(4)-~~ If a district that is a public school academy pur-
20 chases property using money received under this act, the public
21 school academy shall retain ownership of the property unless the
22 public school academy sells the property at fair market value.

23 (6) ~~-(5)-~~ If a district or intermediate district does not
24 comply with subsection (2) or (3), the department shall withhold
25 all state school aid due to the district or intermediate district
26 under this act, beginning with the next payment due to the
27 district or intermediate district, until the district or

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1 intermediate district complies with subsections (2) and (3). If
2 the district or intermediate district does not comply with
3 subsections (2) and (3) by the end of the fiscal year, the dis-
4 trict or intermediate district forfeits the amount withheld.

5 Sec. 20. (1) For ~~1997-98 and~~ 1998-99, the basic founda-
6 tion allowance is \$5,462.00 per membership pupil. For 1999-2000,
7 the basic foundation allowance is ~~\$5,652.00~~ \$5,696.00 per membership
8 pupil. FOR 2000-2001, THE BASIC FOUNDATION ALLOWANCE IS
9 ~~\$5,864.00~~ \$5,866.00 PER MEMBERSHIP PUPIL.

10 (2) From the appropriation in section 11, there is allocated
11 ~~for 1997-98 an amount not to exceed \$8,022,595,100.00,~~ for
12 1998-99 an amount not to exceed ~~-\$7,970,372,900.00-~~
13 \$8,034,100,000.00, ~~and~~ for 1999-2000 an amount not to exceed
14 ~~\$8,314,985,400.00~~ \$8,516,932,000.00, AND FOR 2000-2001 AN
15 AMOUNT NOT TO EXCEED ~~\$8,903,216,100.00~~ \$8,906,496,200.00 to
16 guarantee each district
17 a foundation allowance per membership pupil other than special
18 education pupils and to make payments under this section to
19 public school academies and university schools for membership
20 pupils other than special education pupils. The amount of each
21 district's foundation allowance shall be calculated as provided
22 in this section, using a basic foundation allowance in the amount
23 specified in subsection (1). If the maximum amount allocated
24 under this section is not sufficient to fully fund payments under
25 this section, and before any proration required under section 11,
26 the amount of the payment to each district, university school,
27 and public school academy shall be prorated by reducing by an
equal percentage the total payment under this section to each

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1 district, university school, and public school academy. However,
2 if the department determines that proration will be required
3 under this section, the superintendent of public instruction
4 shall notify the ~~department of management and budget~~ STATE
5 BUDGET DIRECTOR, and the ~~department of management and budget~~
6 STATE BUDGET DIRECTOR shall notify the legislature at least 30
7 calendar days or 6 legislative session days, whichever is more,
8 before the department reduces any payments under this section
9 because of the proration. During the 30 calendar day or 6 legis-
10 lative session day period after that notification by the
11 ~~department of management and budget~~ STATE BUDGET DIRECTOR, the
12 department shall not reduce any payments under this section
13 because of proration. The legislature may prevent proration
14 under this section from occurring by, within the 30 calendar day
15 or 6 legislative session day period after that notification by
16 the director, enacting legislation appropriating additional funds
17 from the general fund, countercyclical budget and economic stabi-
18 lization fund, state school aid fund balance, or another source
19 to ensure full foundation allowance funding for each district,
20 university school, and public school academy.

21 (3) Except as otherwise provided in this section, the amount
22 of a district's foundation allowance shall be calculated as fol-
23 lows, using in all calculations the total amount of the
24 district's foundation allowance as calculated before any
25 proration:

26 (a) For a district that in the immediately preceding state
27 fiscal year had a foundation allowance at least equal to the sum

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1 of \$4,200.00 plus the total dollar amount of all adjustments made
2 from 1994-95 to the immediately preceding state fiscal year in
3 the lowest foundation allowance among all districts, but less
4 than the basic foundation allowance in the immediately preceding
5 state fiscal year, the district shall receive a foundation allow-
6 ance in an amount equal to the sum of the district's foundation
7 allowance for the immediately preceding state fiscal year plus
8 the difference between twice the dollar amount of the adjustment
9 from the immediately preceding state fiscal year to the current
10 state fiscal year made in the basic foundation allowance and
11 [(the dollar amount of the adjustment from the immediately pre-
12 ceding state fiscal year to the current state fiscal year made in
13 the basic foundation allowance minus \$50.00) times (the differ-
14 ence between the district's foundation allowance for the immedi-
15 ately preceding state fiscal year and the sum of \$4,200.00 plus
16 the total dollar amount of all adjustments made from 1994-95 to
17 the immediately preceding state fiscal year in the lowest founda-
18 tion allowance among all districts) divided by the difference
19 between the basic foundation allowance for the current state
20 fiscal year and the sum of \$4,200.00 plus the total dollar amount
21 of all adjustments made from 1994-95 to the immediately preceding
22 state fiscal year in the lowest foundation allowance among all
23 districts]. However, the foundation allowance for a district
24 that had less than the basic foundation allowance in the immedi-
25 ately preceding state fiscal year shall not exceed the basic
26 foundation allowance for the current state fiscal year.

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1 (b) ~~For~~ EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (C) OR
2 (D), FOR a district that in the immediately preceding state
3 fiscal year had a foundation allowance in an amount at least
4 equal to the amount of the basic foundation allowance for the
5 immediately preceding state fiscal year, the district shall
6 receive a foundation allowance in an amount equal to the sum of
7 the district's foundation allowance for the immediately preceding
8 state fiscal year plus the dollar amount of the adjustment from
9 the immediately preceding state fiscal year to the current state
10 fiscal year in the basic foundation allowance.

11 (C) FOR 1999-2000 ONLY, FOR A DISTRICT THAT IN THE IMMEDI-
12 ATELY PRECEDING STATE FISCAL YEAR HAD A FOUNDATION ALLOWANCE
13 GREATER THAN \$6,962.00 AND LESS THAN \$12,000.00, THE DISTRICT
14 SHALL RECEIVE A FOUNDATION ALLOWANCE IN AN AMOUNT EQUAL TO THE
15 SUM OF THE DISTRICT'S FOUNDATION ALLOWANCE FOR THE IMMEDIATELY
16 PRECEDING STATE FISCAL YEAR PLUS 1.6% OF THE DISTRICT'S FOUNDA-
17 TION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR.

18 (D) FOR 2000-2001 ONLY, FOR A DISTRICT THAT IN THE IMMEDI-
19 ATELY PRECEDING STATE FISCAL YEAR HAD A FOUNDATION ALLOWANCE
20 GREATER THAN ~~\$7,152.00 AND LESS THAN \$12,190.00~~ \$7,196.00 AND LESS
21 THAN \$12,234.00, THE DISTRICT
22 SHALL RECEIVE A FOUNDATION ALLOWANCE IN AN AMOUNT EQUAL TO THE
23 SUM OF THE DISTRICT'S FOUNDATION ALLOWANCE FOR THE IMMEDIATELY
24 PRECEDING STATE FISCAL YEAR PLUS 1.6% OF THE DISTRICT'S FOUNDA-
25 TION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR.

26 (E) ~~(c)~~ For 1998-99, each district's foundation allowance
shall be at least \$5,170.00.

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1 (4) To ensure that a district receives the district's
2 foundation allowance, there is allocated to each district a state
3 portion of the district's foundation allowance in an amount cal-
4 culated under this subsection. ~~The~~ EXCEPT AS OTHERWISE PRO-
5 VIDED IN THIS SUBSECTION, THE state portion of a district's foun-
6 dation allowance is an amount equal to the district's foundation
7 allowance or \$6,500.00, whichever is less, minus the difference
8 between the product of the taxable value per membership pupil of
9 all property in the district that is not a homestead or qualified
10 agricultural property times the lesser of 18 mills or the number
11 of mills of school operating taxes levied by the district in
12 1993-94 and the quotient of the ad valorem property tax revenue
13 of the district captured under 1975 PA 197, MCL 125.1651 to
14 125.1681, the tax increment finance authority act, 1980 PA 450,
15 MCL 125.1801 to 125.1830, the local development financing act,
16 1986 PA 281, MCL 125.2151 to 125.2174, or the Brownfield redevel-
17 opment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
18 divided by the district's membership excluding special education
19 pupils. FOR 1999-2000 ONLY, FOR A DISTRICT DESCRIBED IN
20 SUBSECTION (3)(C), THE STATE PORTION OF THE DISTRICT'S FOUNDATION
21 ALLOWANCE IS AN AMOUNT EQUAL TO \$6,962.00 PLUS 1.6% OF THE
22 DISTRICT'S FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING
23 STATE FISCAL YEAR MINUS THE DIFFERENCE BETWEEN THE PRODUCT OF THE
24 TAXABLE VALUE PER MEMBERSHIP PUPIL OF ALL PROPERTY IN THE DIS-
25 TRICT THAT IS NOT A HOMESTEAD OR QUALIFIED AGRICULTURAL PROPERTY
26 TIMES THE LESSER OF 18 MILLS OR THE NUMBER OF MILLS OF SCHOOL
27 OPERATING TAXES LEVIED BY THE DISTRICT IN 1993-94 AND THE

02358'99 (S-1)

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1 QUOTIENT OF THE AD VALOREM PROPERTY TAX REVENUE OF THE DISTRICT
2 CAPTURED UNDER 1975 PA 197, MCL 125.1651 TO 125.1681, THE TAX
3 INCREMENT FINANCE AUTHORITY ACT, 1980 PA 450, MCL 125.1801 TO
4 125.1830, THE LOCAL DEVELOPMENT FINANCING ACT, 1986 PA 281,
5 MCL 125.2151 TO 125.2174, OR THE BROWNFIELD REDEVELOPMENT FINANC-
6 ING ACT, 1996 PA 381, MCL 125.2651 TO 125.2672, DIVIDED BY THE
7 DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL EDUCATION PUPILS. FOR
8 2000-2001 ONLY, FOR A DISTRICT DESCRIBED IN SUBSECTION (3)(D),
9 THE STATE PORTION OF THE DISTRICT'S FOUNDATION ALLOWANCE IS AN
10 AMOUNT EQUAL TO ~~\$7,152.00~~ \$7,196.00 PLUS 1.6% OF THE DISTRICT'S
11 FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR MINUS
12 THE DIFFERENCE BETWEEN THE PRODUCT OF THE TAXABLE VALUE PER MEM-
13 BERSHIP PUPIL OF ALL PROPERTY IN THE DISTRICT THAT IS NOT A HOME-
14 STEAD OR QUALIFIED AGRICULTURAL PROPERTY TIMES THE LESSER OF 18
15 MILLS OR THE NUMBER OF MILLS OF SCHOOL OPERATING TAXES LEVIED BY
16 THE DISTRICT IN 1993-94 AND THE QUOTIENT OF THE AD VALOREM PROP-
17 ERTY TAX REVENUE OF THE DISTRICT CAPTURED UNDER 1975 PA 197,
18 MCL 125.1651 TO 125.1681, THE TAX INCREMENT FINANCE AUTHORITY
19 ACT, 1980 PA 450, MCL 125.1801 TO 125.1830, THE LOCAL DEVELOPMENT
20 FINANCING ACT, 1986 PA 281, MCL 125.2151 TO 125.2174, OR THE
21 BROWNFIELD REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2651
22 TO 125.2672, DIVIDED BY THE DISTRICT'S MEMBERSHIP EXCLUDING SPE-
23 CIAL EDUCATION PUPILS. For a district that has a millage reduc-
24 tion required under section 31 of article IX of the state consti-
25 tution of 1963, ~~except for a district that was notified of such~~
26 ~~a millage reduction in 1996 after the last permissible date to~~
27 ~~schedule an election to override that millage reduction,~~ the

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1 state portion of the district's foundation allowance shall be
2 calculated as if that reduction did not occur. For each fiscal
3 year after 1994-95, the \$6,500.00 amount prescribed in this sub-
4 section shall be adjusted each year by an amount equal to the
5 dollar amount of the difference between the basic foundation
6 allowance for the current state fiscal year and \$5,000.00.

7 (5) The allocation under this section for a pupil shall be
8 based on the foundation allowance of the pupil's district of
9 residence. However, for a pupil enrolled pursuant to section 105
10 in a district other than the pupil's district of residence, ~~but~~
11 ~~within the same intermediate district,~~ the allocation under this
12 section shall be based on the lesser of the foundation allowance
13 of the pupil's district of residence or the foundation allowance
14 of the educating district. For a pupil in membership in a K-5,
15 K-6, or K-8 district who is enrolled in another district in a
16 grade not offered by the pupil's district of residence, the allo-
17 cation under this section shall be based on the foundation allow-
18 ance of the educating district if the educating district's foun-
19 dation allowance is greater than the foundation allowance of the
20 pupil's district of residence.

21 (6) Subject to subsection (7) and except as otherwise pro-
22 vided in this subsection, for pupils in membership, other than
23 special education pupils, in a public school academy or a univer-
24 sity school, there is allocated under this section each fiscal
25 year ~~for 1997-98,~~ for 1998-99, ~~and~~ for 1999-2000, AND FOR
26 2000-2001 to the authorizing body that is the fiscal agent for
27 the public school academy for forwarding to the public school

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1 academy, or to the board of the public university operating the
2 university school, an amount per membership pupil other than spe-
3 cial education pupils in the public school academy or university
4 school equal to the sum of the local school operating revenue per
5 membership pupil other than special education pupils for the dis-
6 trict in which the public school academy or university school is
7 located and the state portion of that district's foundation
8 allowance, or the sum of the basic foundation allowance under
9 subsection (1) plus \$500.00, whichever is less. Notwithstanding
10 section 101(2), for a public school academy that begins opera-
11 tions in ~~1997-98,~~ 1998-99, ~~or~~ 1999-2000, OR 2000-2001, as
12 applicable, after the pupil membership count day, the amount per
13 membership pupil calculated under this subsection shall be
14 adjusted by multiplying that amount per membership pupil by the
15 number of hours of pupil instruction provided by the public
16 school academy after it begins operations, as determined by the
17 department, divided by the minimum number of hours of pupil
18 instruction required under section 1284 of the revised school
19 code, MCL 380.1284. The result of this calculation shall not
20 exceed the amount per membership pupil otherwise calculated under
21 this subsection. ~~Also, a public school academy that begins~~
22 ~~operations in 1997-98, 1998-99, or 1999-2000, as applicable,~~
23 ~~after the pupil membership count day shall not receive any funds~~
24 ~~under this section unless the public school academy provides for~~
25 ~~the school year a number of hours of pupil instruction that is at~~
26 ~~least in the same proportion to the minimum number of hours of~~
27 ~~pupil instruction required under section 1284 of the revised~~

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~~1 school code, MCL 380.1284, as the number of days of pupil
2 instruction provided by the public school academy for the school
3 year is in proportion to the number of days of pupil instruction
4 required under section 1284 of the revised school code,
5 MCL 380.1284.~~

6 (7) If more than 25% of the pupils residing within a dis-
7 trict are in membership in 1 or more public school academies
8 located in the district, then the amount per membership pupil
9 allocated under this section to the authorizing body that is the
10 fiscal agent for a public school academy located in the district
11 for forwarding to the public school academy shall be reduced by
12 an amount equal to the difference between the product of the tax-
13 able value per membership pupil of all property in the district
14 that is not a homestead or qualified agricultural property times
15 the lesser of 18 mills or the number of mills of school operating
16 taxes levied by the district in 1993-94 and the quotient of the
17 ad valorem property tax revenue of the district captured under
18 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance
19 authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local
20 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174,
21 or the Brownfield redevelopment financing act, 1996 PA 381,
22 MCL 125.2651 to 125.2672, divided by the district's membership
23 excluding special education pupils, in the school fiscal year
24 ending in the current state fiscal year, calculated as if the
25 resident pupils in membership in 1 or more public school acade-
26 mies located in the district were in membership in the district.
27 In order to receive state school aid under this act, a district

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1 described in this subsection shall pay to the authorizing body
2 that is the fiscal agent for a public school academy located in
3 the district for forwarding to the public school academy an
4 amount equal to that local school operating revenue per member-
5 ship pupil for each resident pupil in membership other than spe-
6 cial education pupils in the public school academy, as determined
7 by the department.

8 (8) If a district does not receive a payment under subsec-
9 tion (9); if the number of mills the district may levy on a home-
10 stead and qualified agricultural property under section 1211(1)
11 of the revised school code, MCL 380.1211, is 0.5 mills or less;
12 and if the district elects not to levy those mills, the district
13 instead shall receive a separate supplemental payment under this
14 subsection in an amount equal to the amount the district would
15 have received had it levied those mills, as determined by the
16 department of treasury. A district shall not receive a separate
17 supplemental payment under this subsection for a fiscal year
18 unless in the calendar year ending in the fiscal year the dis-
19 trict levies 18 mills or the number of mills of school operating
20 taxes levied by the district in 1993, whichever is less, on prop-
21 erty that is not a homestead or qualified agricultural property.

22 (9) For a district that had combined state and local revenue
23 per membership pupil in the 1993-94 state fiscal year of more
24 than \$6,500.00 and that had fewer than 350 pupils in membership,
25 if the district elects not to reduce the number of mills from
26 which a homestead and qualified agricultural property are exempt
27 and not to levy school operating taxes on a homestead and

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1 qualified agricultural property as provided in section 1211(1)
2 of the revised school code, MCL 380.1211, and not to levy school
3 operating taxes on all property as provided in section 1211(2) of
4 the revised school code, MCL 380.1211, there is allocated under
5 this subsection for 1994-95 and each succeeding fiscal year a
6 separate supplemental payment in an amount equal to the amount
7 the district would have received per membership pupil had it
8 levied school operating taxes on a homestead and qualified agri-
9 cultural property at the rate authorized for the district under
10 section 1211(1) of the revised school code, MCL 380.1211, and
11 levied school operating taxes on all property at the rate autho-
12 rized for the district under section 1211(2) of the revised
13 school code, MCL 380.1211, as determined by the department of
14 treasury. A district shall not receive a separate supplemental
15 payment under this subsection for a fiscal year ~~other than~~
16 ~~1997-98~~ unless in the calendar year ending in the fiscal year
17 the district levies 18 mills or the number of mills of school
18 operating taxes levied by the district in 1993, whichever is
19 less, on property that is not a homestead or qualified agricul-
20 tural property. ~~Beginning with the 1998-99 fiscal year, if~~ IF
21 in the calendar year ending in the fiscal year a district does
22 not levy 18 mills or the number of mills of school operating
23 taxes levied by the district in 1993, whichever is less, on prop-
24 erty that is not a homestead or qualified agricultural property,
25 the payment under this subsection will be reduced by the same
26 percentage as the millage actually levied compares to the 18
27 mills or the number of mills levied in 1993, whichever is less.

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

5 (11) For a district that is formed or reconfigured after
6 June 1, 1994 by consolidation of 2 or more districts or by annex-
7 ation, the resulting district's foundation allowance under this
8 section beginning after the effective date of the consolidation
9 or annexation shall be the average of the foundation allowances
10 of each of the original or affected districts, calculated as pro-
11 vided in this section, weighted as to the percentage of pupils in
12 total membership in the resulting district who reside in the geo-
13 graphic area of each of the original districts. If an affected
14 district's foundation allowance is less than the basic foundation
15 allowance, the amount of that district's foundation allowance
16 shall be considered for the purpose of calculations under this
17 subsection to be equal to the amount of the basic foundation
18 allowance.

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

23 (13) State payments related to payment of the foundation
24 allowance for a special education pupil are not funded under this
25 section but are instead funded under section 51a.

26 (14) To assist the legislature in determining the basic
27 foundation allowance for the subsequent state fiscal year,

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1 ~~except for the January 1998 revenue estimating conference,~~ each
2 revenue estimating conference conducted under section 367b of the
3 management and budget act, 1984 PA 431, MCL 18.1367b, shall cal-
4 culate a pupil membership factor, a revenue adjustment factor,
5 and an index as follows:

6 (a) The pupil membership factor shall be computed by divid-
7 ing the estimated membership in the school year ending in the
8 current state fiscal year, excluding intermediate district mem-
9 bership, by the estimated membership for the school year ending
10 in the subsequent state fiscal year, excluding intermediate dis-
11 trict membership. If a consensus membership factor is not deter-
12 mined at the revenue estimating conference, the principals of the
13 revenue estimating conference shall report their estimates to the
14 house and senate subcommittees responsible for school aid appro-
15 priations not later than 7 days after the conclusion of the reve-
16 nue conference.

17 (b) The revenue adjustment factor shall be computed by
18 dividing the sum of the estimated total state school aid fund
19 revenue for the subsequent state fiscal year plus the estimated
20 total state school aid fund revenue for the current state fiscal
21 year, adjusted for any change in the rate or base of a tax the
22 proceeds of which are deposited in that fund and excluding money
23 transferred into that fund from the countercyclical budget and
24 economic stabilization fund under section 353e of the management
25 and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the
26 estimated total school aid fund revenue for the current state
27 fiscal year plus the estimated total state school aid fund

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1 revenue for the immediately preceding state fiscal year, adjusted
2 for any change in the rate or base of a tax the proceeds of which
3 are deposited in that fund. If a consensus revenue factor is not
4 determined at the revenue estimating conference, the principals
5 of the revenue estimating conference shall report their estimates
6 to the house and senate subcommittees responsible for school aid
7 appropriations not later than 7 days after the conclusion of the
8 revenue conference.

9 (c) The index shall be calculated by multiplying the pupil
10 membership factor by the revenue adjustment factor. However, for
11 1998-99 only, the index shall be 1.00. If a consensus index is
12 not determined at the revenue estimating conference, the princi-
13 pals of the revenue estimating conference shall report their
14 estimates to the house and senate subcommittees responsible for
15 school aid appropriations not later than 7 days after the conclu-
16 sion of the revenue conference.

17 (15) If the principals at the revenue estimating conference
18 reach a consensus on the index described in subsection (14)(c),
19 the basic foundation allowance for the subsequent state fiscal
20 year shall be at least the amount of that consensus index multi-
21 plied by the basic foundation allowance specified in subsection
22 (1).

23 (16) If ~~the~~ AT THE JANUARY REVENUE ESTIMATING CONFERENCE
24 IT IS ESTIMATED THAT pupil membership, excluding intermediate
25 district membership, for the ~~school year ending in the next~~
26 SUBSEQUENT state fiscal year ~~is estimated at the January revenue~~
27 ~~estimating conference to~~ WILL be greater than 101% of the pupil

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1 membership, excluding intermediate district membership, for the
2 ~~school year ending in the~~ current state fiscal year, then it is
3 the intent of the legislature that the executive budget proposal
4 for the school aid budget ~~in~~ FOR the subsequent state fiscal
5 year ~~incorporate~~ INCLUDE a general fund/general purpose alloca-
6 tion ~~that is greater than the general fund/general purpose allo-~~
7 ~~cation in the current fiscal year,~~ SUFFICIENT to support the
8 ~~estimated~~ membership in excess of 101% of the CURRENT YEAR
9 PUPIL membership. ~~in the current year.~~

10 (17) BEGINNING IN 1999-2000, FOR A DISTRICT THAT HAD COM-
11 BINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL IN THE 1993-94
12 STATE FISCAL YEAR OF MORE THAN \$6,500.00, THAT HAD FEWER THAN 7
13 PUPILS IN MEMBERSHIP IN THE 1993-94 STATE FISCAL YEAR, THAT HAS
14 AT LEAST 1 PUPIL IN MEMBERSHIP EDUCATED IN THE DISTRICT IN THE
15 CURRENT STATE FISCAL YEAR, AND THAT LEVIES THE NUMBER OF MILLS OF
16 SCHOOL OPERATING TAXES AUTHORIZED FOR THE DISTRICT UNDER SECTION
17 1211 OF THE REVISED SCHOOL CODE, MCL 380.1211, THE DISTRICT SHALL
18 BE ALLOCATED A MINIMUM AMOUNT OF COMBINED STATE AND LOCAL REVENUE
19 AS PROVIDED UNDER THIS SUBSECTION. THIS MINIMUM AMOUNT OF COM-
20 BINED STATE AND LOCAL REVENUE FOR 1999-2000 SHALL BE \$67,000.00
21 PLUS THE DISTRICT'S ADDITIONAL EXPENSES TO EDUCATE PUPILS IN
22 GRADES 9 TO 12 EDUCATED IN OTHER DISTRICTS AS DETERMINED AND
23 ALLOWED BY THE DEPARTMENT. BEGINNING IN 2000-2001, THE AMOUNT OF
24 THE MINIMUM AMOUNT OF COMBINED STATE AND LOCAL REVENUE UNDER THIS
25 SUBSECTION, BEFORE ADDING THE ADDITIONAL EXPENSES, SHALL INCREASE
26 EACH FISCAL YEAR BY THE SAME PERCENTAGE INCREASE AS THE
27 PERCENTAGE INCREASE IN THE BASIC FOUNDATION ALLOWANCE FROM THE

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1 IMMEDIATELY PRECEDING FISCAL YEAR TO THE CURRENT FISCAL YEAR.
2 THE STATE PORTION OF THE MINIMUM AMOUNT OF COMBINED STATE AND
3 LOCAL REVENUE UNDER THIS SUBSECTION SHALL BE CALCULATED BY SUB-
4 TRACTING FROM THE MINIMUM AMOUNT OF COMBINED STATE AND LOCAL REV-
5 ENUE UNDER THIS SUBSECTION THE SUM OF THE DISTRICT'S LOCAL SCHOOL
6 OPERATING REVENUE AND THE PRODUCT OF THE STATE PORTION OF THE
7 DISTRICT'S FOUNDATION ALLOWANCE TIMES THE DISTRICT'S MEMBERSHIP.
8 AS USED IN THIS SUBSECTION, "ADDITIONAL EXPENSES" MEANS THE
9 DISTRICT'S EXPENSES FOR TUITION OR FEES, NOT TO EXCEED \$6,500.00
10 AS ADJUSTED EACH YEAR BY AN AMOUNT EQUAL TO THE DOLLAR AMOUNT OF
11 THE DIFFERENCE BETWEEN THE BASIC FOUNDATION ALLOWANCE FOR THE
12 CURRENT STATE FISCAL YEAR AND \$5,000.00, PLUS A ROOM AND BOARD
13 STIPEND NOT TO EXCEED \$10.00 PER SCHOOL DAY FOR EACH PUPIL IN
14 GRADES 9 TO 12 EDUCATED IN ANOTHER DISTRICT, AS APPROVED BY THE
15 DEPARTMENT.

16 (18) ~~(17)~~ As used in this section:

17 (A) "COMBINED STATE AND LOCAL REVENUE" MEANS THE AGGREGATE
18 OF THE DISTRICT'S STATE SCHOOL AID RECEIVED BY OR PAID ON BEHALF
19 OF THE DISTRICT UNDER THIS SECTION AND THE DISTRICT'S LOCAL
20 SCHOOL OPERATING REVENUE.

21 (B) ~~(a)~~ "Combined state and local revenue per membership
22 pupil" means ~~the aggregate of the district's state school aid
23 received by or paid on behalf of the district under this section
24 and the district's local school operating revenue,~~ THE
25 DISTRICT'S COMBINED STATE AND LOCAL REVENUE divided by the
26 district's membership excluding special education pupils.

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

3 (D) ~~(c)~~ "Homestead" means that term as defined in
4 section 1211 of the revised school code, MCL 380.1211.

5 (E) ~~(d)~~ "Immediately preceding state fiscal year" means
6 the state fiscal year immediately preceding the current state
7 fiscal year.

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

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

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

17 (I) ~~(h)~~ "Qualified agricultural property" means that term
18 as defined in section 1211 of the revised school code,
19 MCL 380.1211.

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

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

26 (l) ~~(k)~~ "Taxable value per membership pupil" means taxable
27 value, as certified by the department of treasury, for the

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1 calendar year ending in the current state fiscal year divided by
2 the district's membership excluding special education pupils for
3 the school year ending in the current state fiscal year.

4 Sec. 20b. (1) From the state school aid fund money appro-
5 priated in section 11 for 1998-99, there is allocated for 1998-99
6 only an amount not to exceed ~~-\$96,350,000.00-~~ \$96,700,000.00 for
7 payments to districts and intermediate districts under this
8 section.

9 (2) The total amount allocated to districts under this sec-
10 tion is ~~-\$95,600,000.00-~~ \$95,950,000.00. The amount of the pay-
11 ment to each district under this section shall be as follows:

12 (a) For a district with a 1998-99 foundation allowance under
13 section 20 at least equal to the amount of the 1998-99 basic
14 foundation allowance under section 20, an amount equal to \$51.00
15 per 1998-99 membership pupil of the district.

16 (b) For a district with a 1998-99 foundation allowance under
17 section 20 of less than the amount of the 1998-99 basic founda-
18 tion allowance under section 20, an amount per 1998-99 membership
19 pupil of the district equal to the amount calculated by multiply-
20 ing 2 times \$51.00 and subtracting from that product the product
21 of \$51.00 times the quotient of (the district's 1998-99 founda-
22 tion allowance under section 20 minus \$5,170.00) divided by
23 \$292.00.

24 (3) The total amount allocated to intermediate districts
25 under this section is \$750,000.00. The amount of the payment to
26 each intermediate district under this section shall be an amount

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1 equal to 0.9% of the amount of funding actually received by the
2 intermediate district under section 81(1) for 1997-98.

3 (4) Notwithstanding section 17b, the payments due to a dis-
4 trict or intermediate district under this section shall be made
5 in 7 equal installments and shall be included in the monthly pay-
6 ments under section 17b for each month from February 1999 through
7 August 1999.

8 SEC. 20J. (1) FROM THE APPROPRIATION IN SECTION 11, THERE
9 IS ALLOCATED FOR 1999-2000 ONLY AN AMOUNT NOT TO EXCEED
10 ~~\$13,000,000.00~~ \$16,000,000.00 FOR FOUNDATION ALLOWANCE SUPPLEMENTAL
11 PAYMENTS TO
12 DISTRICTS THAT IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR HAD
13 A FOUNDATION ALLOWANCE GREATER THAN \$6,962.00 AND LESS THAN
14 \$12,000.00. FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLO-
15 CATED FOR 2000-2001 ONLY AN AMOUNT NOT TO EXCEED \$13,000,000.00
16 FOR FOUNDATION ALLOWANCE SUPPLEMENTAL PAYMENTS TO DISTRICTS THAT
17 IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR HAD A FOUNDATION
18 ALLOWANCE GREATER THAN ~~\$7,152.00 AND LESS THAN \$12,190.00.~~ \$7,196.00
19 AND LESS THAN \$12,234.00.

20 (2) THE PER PUPIL ALLOCATION TO EACH DISTRICT UNDER THIS
21 SECTION SHALL BE THE DIFFERENCE BETWEEN THE DOLLAR AMOUNT OF THE
22 ADJUSTMENT FROM THE IMMEDIATELY PRECEDING STATE FISCAL YEAR TO
23 THE CURRENT STATE FISCAL YEAR IN THE BASIC FOUNDATION ALLOWANCE
24 AND 1.6% OF THE DISTRICT'S FOUNDATION ALLOWANCE FOR THE IMMEDI-
25 ATELY PRECEDING STATE FISCAL YEAR.

26 (3) THE TOTAL PAYMENT TO EACH DISTRICT UNDER THIS SECTION
27 SHALL BE THE PRODUCT OF THE PER PUPIL ALLOCATION UNDER
SUBSECTION (2) MULTIPLIED BY THE DISTRICT'S MEMBERSHIP EXCLUDING
SPECIAL EDUCATION PUPILS.

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1 SEC. 20K. FROM THE STATE SCHOOL AID FUND APPROPRIATION IN
2 SECTION 11, THERE IS ALLOCATED FOR EACH FISCAL YEAR FOR 1999-2000
3 AND 2000-2001 AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR PAYMENTS
4 TO DISTRICTS THAT LEVIED AT LEAST 35 MILLS IN 1993 FOR SCHOOL
5 OPERATING PURPOSES IN THE 1993-94 SCHOOL YEAR AND THAT LEVIED
6 MILLAGE UNDER SECTION 1211C OF THE REVISED SCHOOL CODE, MCL
7 380.1211C, IN 1996 FOR ENHANCING SCHOOL OPERATING REVENUE IN THE
8 1996-97 SCHOOL YEAR AND RECEIVED MORE THAN \$3,500,000.00 IN REVE-
9 NUE FROM THAT MILLAGE. THE AMOUNT OF THE PAYMENT UNDER THIS SEC-
10 TION FOR EACH FISCAL YEAR FOR 1999-2000 AND 2000-2001 FOR EACH
11 DISTRICT THAT IS DETERMINED BY THE DEPARTMENT TO MEET THE CRI-
12 TERIA UNDER THIS SECTION SHALL BE \$1,250,000.00. IT IS THE
13 INTENT OF THE LEGISLATURE THAT THE ALLOCATION UNDER THIS SECTION
14 SHALL CONTINUE IN THE SAME AMOUNT FOR SUBSEQUENT FISCAL YEARS.

15 Sec. 24. (1) Subject to subsection (2), from the appropria-
16 tion in section 11, there is allocated ~~for 1997-98,~~ for
17 1998-99, ~~and~~ for 1999-2000, AND FOR 2000-2001 to the educating
18 district or intermediate district an amount equal to 100% of the
19 added cost each fiscal year for educating all pupils assigned by
20 a court or the family independence agency to reside in or to
21 attend a juvenile detention facility or child caring institution
22 licensed by the family independence agency OR THE DEPARTMENT OF
23 CONSUMER AND INDUSTRY SERVICES and approved by the department to
24 provide an on-grounds education program. The total amount to be
25 paid under this section for added cost shall not exceed
26 \$7,000,000.00 ~~each fiscal year for 1997-98 and~~ FOR 1998-99 and
27 shall not exceed \$7,900,000.00 EACH FISCAL YEAR for 1999-2000 AND

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1 FOR 2000-2001. For the purposes of this section, "added cost"
2 shall be computed by deducting all other revenue received under
3 this act for pupils described in this section from total costs,
4 as approved by the department, for educating those pupils in the
5 on-grounds education program or in a program approved by the
6 department that is located on property adjacent to a juvenile
7 detention facility or child caring institution. Costs reimbursed
8 by federal funds are not included.

9 (2) A district or intermediate district educating pupils
10 described in this section at a residential child caring institu-
11 tion may operate, and receive funding under this section for, a
12 department-approved on-grounds educational program for those
13 pupils that is longer than 181 days, but not longer than 233
14 days, if the child caring institution WAS LICENSED AS A CHILD
15 CARING INSTITUTION AND offered in 1991-92 an on-grounds educa-
16 tional program THAT WAS longer than 181 days but not longer than
17 233 days AND THAT WAS OPERATED BY A DISTRICT OR INTERMEDIATE
18 DISTRICT.

19 (3) Special education pupils funded under section 53a shall
20 not be funded under this section.

21 Sec. 26a. From the general fund appropriation in section
22 11, there is allocated ~~for 1997-98,~~ for 1998-99 AN AMOUNT NOT
23 TO EXCEED \$5,100,000.00, and for EACH FISCAL YEAR FOR 1999-2000
24 AND 2000-2001 an amount not to exceed ~~\$6,584,200.00 each fiscal~~
25 ~~year~~ \$7,000,000.00 to reimburse districts, intermediate dis-
26 tricts, and the state school aid fund pursuant to section 12 of
27 the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for

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1 taxes levied in ~~1997,~~ 1998, ~~and~~ 1999, AND 2000,
2 respectively. This reimbursement shall be made by adjusting pay-
3 ments under section 20 to eligible districts, adjusting payments
4 under section 56, 62, or 81 to eligible intermediate districts,
5 and adjusting the state school aid fund. The adjustments shall
6 be made not later than 60 days after the department of treasury
7 certifies to the department and to the ~~department of management~~
8 ~~and budget~~ STATE BUDGET DIRECTOR that the department of treasury
9 has received all necessary information to properly determine the
10 amounts due to each eligible recipient.

11 Sec. 31a. (1) From the state school aid fund money appro-
12 priated in section 11, there is allocated ~~for 1997-98 an amount~~
13 ~~not to exceed \$250,000,000.00,~~ for 1998-99 an amount not to
14 exceed \$260,000,000.00, ~~and~~ for 1999-2000 an amount not to
15 exceed ~~\$269,100,000.00~~ \$270,920,000.00, AND FOR 2000-2001 AN AMOUNT
16 NOT TO EXCEED ~~\$279,191,300.00~~ \$278,776,700.00 for payments to eligible districts
17 and eligible
18 public school academies under this section. Subject to subsec-
19 tion ~~(11)~~ (10), the amount of the additional allowance under
20 this section shall be based on the number of actual pupils in
21 membership in the district or public school academy who met the
22 income eligibility criteria for free breakfast, lunch, or milk in
23 the immediately preceding state fiscal year, as determined under
24 the national school lunch act, chapter 281, 60 Stat. 230, 42
25 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to ~~1766b~~ 1766a,
26 1769, 1769b to 1769c, and 1769f to 1769h, and reported to the
27 department by October 31 of the immediately preceding fiscal year
and adjusted not later than December 31 of the immediately

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1 preceding fiscal year. However, for a public school academy that
2 began operations as a public school academy after the pupil mem-
3 bership count day of the immediately preceding school year, the
4 basis for the additional allowance under this section shall be
5 the number of actual pupils in membership in the public school
6 academy who met the income eligibility criteria for free break-
7 fast, lunch, or milk in the current state fiscal year, as deter-
8 mined under the national school lunch act.

9 (2) To be eligible to receive funding under this section, a
10 district or public school academy that has not been previously
11 determined to be eligible shall apply to the department, in a
12 form and manner prescribed by the department, and a district or
13 public school academy must meet all of the following:

14 (a) The SUM OF THE district's or public school academy's
15 combined state and local revenue per membership pupil in the cur-
16 rent state fiscal year, as calculated under section 20, PLUS,
17 EACH FISCAL YEAR FOR 1999-2000 AND 2000-2001 ONLY, THE AMOUNT OF
18 THE DISTRICT'S PER PUPIL ALLOCATION UNDER SECTION 20J(2), is less
19 than or equal to \$6,500.00 adjusted by the dollar amount of the
20 difference between the basic foundation allowance under section
21 20 for the current state fiscal year and \$5,000.00.

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

26 (3) Except as otherwise provided in this subsection, an
27 eligible district or eligible public school academy shall receive

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1 under this section for each membership pupil in the district or
2 public school academy who met the income eligibility criteria for
3 free breakfast, lunch, or milk, as determined under the national
4 school lunch act and as reported to the department by October 31
5 of the immediately preceding fiscal year and adjusted not later
6 than December 31 of the immediately preceding fiscal year, an
7 amount per pupil equal to 11.5% of the SUM OF THE district's
8 foundation allowance or public school academy's per pupil alloca-
9 tion under section 20, PLUS, EACH FISCAL YEAR FOR 1999-2000 AND
10 2000-2001 ONLY, THE AMOUNT OF THE DISTRICT'S PER PUPIL ALLOCATION
11 UNDER SECTION 20J(2), not to exceed \$6,500.00 adjusted by the
12 dollar amount of the difference between the basic foundation
13 allowance under section 20 for the current state fiscal year and
14 \$5,000.00, or of the public school academy's per membership pupil
15 allocation under section 20 for the current state fiscal year. A
16 public school academy that began operations as a public school
17 academy after the pupil membership count day of the immediately
18 preceding school year shall receive under this section for each
19 membership pupil in the public school academy who met the income
20 eligibility criteria for free breakfast, lunch, or milk, as
21 determined under the national school lunch act and as reported to
22 the department by October 31 of the current fiscal year and
23 adjusted not later than December 31 of the current fiscal year,
24 an amount per pupil equal to 11.5% of the public school academy's
25 per membership pupil allocation under section 20 for the current
26 state fiscal year.

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1 (4) Except as otherwise provided in this section, a district
2 or public school academy receiving funding under this section
3 shall use that money only to provide instructional programs and
4 direct noninstructional services, including, but not limited to,
5 medical or counseling services, for at-risk pupils and for the
6 purposes of subsection (5) or section 31c and shall not use any
7 of that money for administrative costs or to supplant another
8 program or other funds, except for funds allocated to the dis-
9 trict or public school academy under this section in the immedi-
10 ately preceding year and already being used by the district or
11 public school academy for at-risk pupils. The instruction or
12 direct noninstructional services provided under this section may
13 be conducted before or after regular school hours or by adding
14 extra school days to the school year and may be conducted using a
15 tutorial method, with paraprofessionals working under the super-
16 vision of a certificated teacher. The ratio of pupils to para-
17 professionals shall be between 10:1 and 15:1. Only 1 certifi-
18 cated teacher is required to supervise instruction using a tuto-
19 rial method. As used in this subsection, "to supplant another
20 program" means to take the place of a previously existing
21 instructional program or direct noninstructional services funded
22 from a funding source other than funding under this section.

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

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1 school academy receives funds under this section, necessary to
2 operate the school breakfast program. A district or public
3 school academy that receives funds under this section and that
4 operates a school lunch program under section 1272a of the
5 revised school code, MCL 380.1272a, shall use from the funds
6 received under this section an amount, not to exceed \$10.00 per
7 pupil for whom the district or public school academy receives
8 funds under this section, necessary to operate the school lunch
9 program.

10 (6) Each district or public school academy receiving funds
11 under this section shall submit to the department by July 15 of
12 each fiscal year a report, not to exceed 10 pages, on the usage
13 by the district or public school academy of funds under this sec-
14 tion, which report shall include at least a brief description of
15 each program conducted by the district or public school academy
16 using funds under this section, the amount of funds under this
17 section allocated to each of those programs, and the number of
18 at-risk pupils served by each of those programs. If a district
19 or public school academy does not comply with this subsection,
20 the department shall withhold an amount equal to the August pay-
21 ment due under this section until the district or public school
22 academy complies with this subsection. If the district or public
23 school academy does not comply with this subsection by the end of
24 the state fiscal year, the withheld funds shall be forfeited to
25 the school aid fund.

26 (7) In order to receive funds under this section, a district
27 or public school academy shall allow access for the department or

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1 the department's designee to audit all records related to the
2 program for which it receives those funds. The district or
3 public school academy shall reimburse the state for all disallow-
4 ances found in the audit.

5 (8) Subject to subsection (5), any district may use up to
6 100% of the funds it receives under this section to reduce the
7 ratio of pupils to teachers in grades K-6, or any combination of
8 those grades, in school buildings in which the percentage of
9 pupils described in subsection (1) exceeds the district's aggre-
10 gate percentage of those pupils. Subject to subsection (5), if a
11 district obtains a waiver from the department, the district may
12 use up to 100% of the funds it receives under this section to
13 reduce the ratio of pupils to teachers in grades K-6, or any com-
14 bination of those grades, in school buildings in which the per-
15 centage of pupils described in subsection (1) is at least 60% of
16 the district's aggregate percentage of those pupils and at least
17 30% of the total number of pupils enrolled in the school
18 building. To obtain a waiver, a district must apply to the
19 department and demonstrate to the satisfaction of the department
20 that the class size reductions would be in the best interests of
21 the district's at-risk pupils.

22 ~~(9) For 1997-98, a district that is located in a county~~
23 ~~with a population of more than 350,000 and less than 480,000 and~~
24 ~~that has more than 10,000 pupils in membership shall expend funds~~
25 ~~received under this section, other than the amount described in~~
26 ~~subsection (5), attributable to pupils enrolled in grades K-3 for~~
27 ~~the purpose of reducing class size in grades K-3 in the district~~

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1 ~~to an average of not more than 17 pupils per class, with not more~~
2 ~~than 19 pupils in any particular class, in each school building~~
3 ~~in the district in which pupils described in subsection (1) con-~~
4 ~~stitute at least 25% of the total number of pupils in the~~
5 ~~building.~~

6 (9) ~~(10)~~ A district or public school academy may use funds
7 received under this section for adult high school completion,
8 general education development (G.E.D.) test preparation, or
9 adult basic education programs described in section 107.

10 (10) ~~(11)~~ If necessary, and before any proration required
11 under section 11, the department shall prorate payments under
12 this section by reducing the amount of the per pupil payment
13 under this section by a dollar amount calculated by determining
14 the amount by which the amount necessary to fully fund the
15 requirements of this section exceeds the maximum amount allocated
16 under this section and then dividing that amount by the total
17 statewide number of pupils who met the income eligibility cri-
18 teria for free breakfast, lunch, or milk in the immediately pre-
19 ceding fiscal year, as described in subsection (1).

20 (11) ~~(12)~~ If a district is formed by consolidation after
21 June 1, 1995, and if 1 or more of the original districts was not
22 eligible before the consolidation for an additional allowance
23 under this section, the amount of the additional allowance under
24 this section for the consolidated district shall be based on the
25 number of pupils described in subsection (1) enrolled in the con-
26 solidated district who reside in the territory of an original

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1 district that was eligible before the consolidation for an
2 additional allowance under this section.

3 (12) ~~(13)~~ Beginning in 1999-2000, a district or public
4 school academy that does not meet the eligibility requirement
5 under subsection (2)(a) is eligible for funding under this sec-
6 tion if at least 1/4 of the pupils in membership in the district
7 or public school academy met the income eligibility criteria for
8 free breakfast, lunch, or milk in the immediately preceding state
9 fiscal year, as determined and reported as described in
10 subsection (1), and at least 4,500 of the pupils in membership in
11 the district or public school academy met the income eligibility
12 criteria for free breakfast, lunch, or milk in the immediately
13 preceding state fiscal year, as determined and reported as
14 described in subsection (1). A district or public school academy
15 that is eligible for funding under this section ~~for 1999-2000~~
16 because the district meets the requirements of this subsection
17 shall receive under this section for each membership pupil in the
18 district or public school academy who met the income eligibility
19 criteria for free breakfast, lunch, or milk in the immediately
20 preceding fiscal year, as determined and reported as described in
21 subsection (1), an amount per pupil equal to 5.75% of the SUM OF
22 THE district's foundation allowance or public school academy's
23 per pupil allocation under section 20, PLUS, EACH FISCAL YEAR FOR
24 1999-2000 AND 2000-2001 ONLY, THE AMOUNT OF THE DISTRICT'S PER
25 PUPIL ALLOCATION UNDER SECTION 20J(2), not to exceed \$6,500.00
26 adjusted by the dollar amount of the difference between the basic

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1 foundation allowance under section 20 for the current state
2 fiscal year and \$5,000.00.

3 (13) ~~(14)~~ Beginning in 1999-2000, the total amount allo-
4 cated under this section for a fiscal year shall be increased
5 from the total amount allocated under this section for the imme-
6 diately preceding fiscal year by the same percentage as the per-
7 centage increase in the amount of the basic foundation allowance
8 under section 20 for that fiscal year from the amount of the
9 basic foundation allowance under section 20 for the immediately
10 preceding fiscal year.

11 (14) ~~(15)~~ As used in this section, "at-risk pupil" means a
12 pupil for whom the district has documentation that the pupil
13 meets at least 2 of the following criteria: is a victim of child
14 abuse or neglect; is below grade level in English language and
15 communication skills or mathematics; is a pregnant teenager or
16 teenage parent; is eligible for a federal free or reduced-price
17 lunch subsidy; has atypical behavior or attendance patterns; or
18 has a family history of school failure, incarceration, or sub-
19 stance abuse. For pupils for whom the results of at least the
20 applicable ~~MEAP~~ MICHIGAN EDUCATION ASSESSMENT PROGRAM (MEAP)
21 test have been received, at-risk pupil also includes a pupil who
22 does not meet the other criteria under this subsection but who
23 did not achieve at least a score of moderate on the most recent
24 MEAP reading test for which results for the pupil have been
25 received, did not achieve at least a score of moderate on the
26 most recent MEAP mathematics test for which results for the pupil
27 have been received, or achieved less than 50% of the objectives

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1 on the most recent MEAP science test for which results for the
2 pupil have been received. For pupils in grades K-3, at-risk
3 pupil also includes a pupil who is at risk of not meeting the
4 district's core academic curricular objectives in English lan-
5 guage, communication skills, or mathematics.

6 Sec. 31c. ~~-(1) From the state school aid fund appropriation~~
7 ~~in section 11, there is allocated for 1997-98 an amount not to~~
8 ~~exceed \$100,000.00 for planning grants to districts that are~~
9 ~~awarded pilot program grants under subsections (2) to (8) for~~
10 ~~1998-99. An application for a grant under this subsection shall~~
11 ~~be in the form and manner prescribed by the superintendent of~~
12 ~~public instruction. The amount of each grant under this subsec-~~
13 ~~tion shall be in the same proportion to the total allocation~~
14 ~~under this subsection as the proportion that the amount of the~~
15 ~~district's grant under subsections (2) to (8) bears to the total~~
16 ~~allocation under subsection (2). These planning grants shall be~~
17 ~~distributed not later than April 20, 1998.~~

18 (1) ~~-(2)-~~ From the state school aid fund appropriation in
19 section 11, there is allocated for 1998-99, ~~and~~ for 1999-2000,
20 AND FOR 2000-2001 an amount not to exceed \$19,750,000.00 each
21 fiscal year for grants to eligible districts for pilot programs
22 to maintain or establish small classes in grades K to 3 in eligi-
23 ble school buildings in the district.

24 ~~-(3) To be eligible for a grant under subsection (2), a dis-~~
25 ~~trict must have at least 1 eligible school building and shall~~
26 ~~apply to the superintendent of public instruction not later than~~
27 ~~February 1, 1998 in the form and manner prescribed by the~~

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1 ~~superintendent of public instruction. The department shall make~~
2 ~~applications available for this purpose not later than December~~
3 ~~15, 1997. A district shall include in its application a~~
4 ~~projected budget for maintaining or establishing small classes in~~
5 ~~grades K to 3 and shall demonstrate in the projected budget that~~
6 ~~at least \$2,000,000.00 or 25% of the funds received by the dis-~~
7 ~~trict under section 31a, whichever is less, will be used to sup-~~
8 ~~port small classes under this section. The superintendent of~~
9 ~~public instruction shall approve or disapprove applications and~~
10 ~~notify the applying district of that decision not later than~~
11 ~~April 1, 1998.~~

12 (2) ~~-(4)-~~ For a school building to be eligible for funding
13 under this section, the school building must operate at least 1
14 of grades K to 3; the school building must be operated by a dis-
15 trict that operates all of grades K to 12 and that receives funds
16 under section 31a; and at least 50% of the actual pupils enrolled
17 in the school building in the immediately preceding fiscal year
18 must have been eligible for free lunch, as determined under the
19 national school lunch act, chapter 281, 60 Stat. 230, 42
20 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766b, 1769,
21 1769b to 1769c, and 1769f TO 1969h, and reported to the depart-
22 ment not later than October 31 of the immediately preceding
23 fiscal year and adjusted not later than December 31 of the imme-
24 diately preceding fiscal year.

25 (3) ~~-(5)-~~ Not more than 25% of the total allocation under
26 subsection ~~-(2)-~~ (1) may be paid to any 1 particular district.
27 The department shall make allocations under subsection ~~-(2)-~~ (1)

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1 to at least 12 districts, and the districts shall be
2 geographically diverse.

3 (4) ~~(6)~~ A district receiving funds under subsection ~~(2)~~
4 (1) shall use the funds to maintain or establish small classes in
5 grades K to 3 in school buildings of the district for which funds
6 are received under this section. The average class size shall be
7 not more than 17 pupils per class, with not more than 19 pupils
8 in any particular class. ~~A~~ EACH FISCAL YEAR, A district
9 receiving funds under subsection ~~(2)~~ (1) shall use at least
10 \$2,000,000.00 or 25% of the funds the district receives for
11 ~~1998-99~~ THE FISCAL YEAR under section 31a, whichever is less,
12 for the purposes of this section.

13 (5) ~~(7)~~ Funding to districts under this section for
14 1998-99 is intended to be for the first of 4 years of funding and
15 funding to districts under this section for 1999-2000 is intended
16 to be for the second of 4 years of funding.

17 (6) ~~(8)~~ From the general fund appropriation in section 11,
18 there is allocated to the department for 1998-99 an amount not to
19 exceed \$250,000.00 for a study of the effectiveness of small
20 classes in improving pupil performance. NOTWITHSTANDING SECTION
21 17B, PAYMENTS UNDER THIS SUBSECTION MAY BE MADE PURSUANT TO AN
22 AGREEMENT WITH THE DEPARTMENT. The funds allocated under this
23 subsection may be expended after the 1998-99 fiscal year through
24 the end of either the fourth fiscal year of funding under this
25 section or the final fiscal year of funding under this section,
26 whichever occurs earlier.

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1 SEC. 31D. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION
2 IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
3 \$13,227,500.00 FOR 1998-1999 AND AN AMOUNT NOT TO EXCEED
4 \$6,963,000.00 EACH FISCAL YEAR FOR 1999-2000 AND 2000-2001 FOR
5 THE PURPOSE OF MAKING PAYMENTS UNDER THIS SECTION.

6 (2) THE AMOUNTS ALLOCATED UNDER THIS SECTION SHALL BE USED
7 TO PAY THE AMOUNT NECESSARY TO REIMBURSE DISTRICTS FOR 6.0127% OF
8 THE NECESSARY COSTS OF THE STATE MANDATED PORTION OF THE SCHOOL
9 LUNCH PROGRAMS PROVIDED BY THOSE DISTRICTS. THE AMOUNT DUE TO
10 EACH DISTRICT UNDER THIS SECTION SHALL BE COMPUTED BY THE DEPART-
11 MENT USING THE METHODS OF CALCULATION ADOPTED BY THE MICHIGAN
12 SUPREME COURT IN THE CONSOLIDATED CASES KNOWN AS DURANT V STATE
13 OF MICHIGAN, MICHIGAN SUPREME COURT DOCKET NO. 104458-104492.

14 (3) THE PAYMENTS MADE UNDER THIS SECTION ARE IN ADDITION TO
15 THE STATE PAYMENTS MADE TO DISTRICTS UNDER THE DEPARTMENT OF EDU-
16 CATION APPROPRIATIONS ACT FOR THE CORRESPONDING FISCAL YEAR AND
17 UNDER SECTION 31A(5), SO THAT EACH DISTRICT RECEIVES FROM ALL OF
18 THESE SOURCES COMBINED AT LEAST 6.0127% OF THE NECESSARY COSTS OF
19 OPERATING THE STATE MANDATED PORTION OF THE SCHOOL LUNCH PROGRAM
20 IN A FISCAL YEAR.

21 (4) THE 1998-99 PAYMENT TO EACH DISTRICT UNDER THIS SECTION
22 INCLUDES REIMBURSEMENT FOR BOTH 1997-98 AND 1998-99, AND THE POR-
23 TION OF THE 1998-99 PAYMENT THAT IS ATTRIBUTABLE TO REIMBURSEMENT
24 FOR 1997-98 SHALL BE MADE WITHIN 60 DAYS AFTER THE EFFECTIVE DATE
25 OF THIS SECTION.

26 SEC. 32. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN
27 SECTION 11, THERE IS ALLOCATED EACH FISCAL YEAR FOR 1999-2000 AND

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1 FOR 2000-2001 AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR COMPETITIVE
2 GRANTS UNDER THIS SECTION TO ELIGIBLE DISTRICTS FOR PILOT READING
3 IMPROVEMENT PROGRAMS FOR PUPILS IN GRADES K TO 3.

4 (2) TO BE ELIGIBLE FOR A GRANT UNDER THIS SECTION, A
5 DISTRICT MUST HAVE AT LEAST 1,500 PUPILS IN MEMBERSHIP, AND AT
6 LEAST 8% OF THE PUPILS ENROLLED IN THE DISTRICT MUST HAVE BEEN
7 DETERMINED TO HAVE A SPECIFIC LEARNING DISABILITY ACCORDING TO R
8 340.1713 OF THE MICHIGAN ADMINISTRATIVE CODE.

9 (3) TO QUALIFY FOR FUNDING UNDER THIS SECTION, THE PROPOSED
10 READING IMPROVEMENT PROGRAM MUST MEET ALL OF THE FOLLOWING:

11 (A) THE PROGRAM SHALL INCLUDE ASSESSMENT OF READING SKILLS
12 OF PUPILS IN GRADES K TO 3 TO IDENTIFY THOSE PUPILS WHO ARE
13 READING BELOW GRADE LEVEL AND MUST PROVIDE SPECIAL READING
14 ASSISTANCE FOR THESE PUPILS.

15 (B) THE PROGRAM SHALL BE A RESEARCH-BASED STRUCTURED READING
16 PROGRAM.

17 (C) THE PROGRAM SHALL INCLUDE CONTINUOUS ASSESSMENT OF PUPILS
18 AND INDIVIDUALIZED EDUCATION PLANS FOR PUPILS.

19 (D) THE PROGRAM SHALL ALIGN LEARNING RESOURCES TO STATE
20 STANDARDS.

21 (4) A READING IMPROVEMENT PROGRAM RECEIVING FUNDING UNDER
22 THIS SECTION MAY BE CONDUCTED OUTSIDE OF REGULAR SCHOOL HOURS OR
23 OUTSIDE THE REGULAR SCHOOL CALENDAR.

24 (5) TO COMPETE FOR A GRANT UNDER THIS SECTION, A DISTRICT
25 SHALL APPLY TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION NOT LATER
26 THAN DECEMBER 1, 1999 IN THE FORM AND MANNER PRESCRIBED BY THE
27 SUPERINTENDENT OF PUBLIC INSTRUCTION. THE DEPARTMENT SHALL MAKE

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1 APPLICATIONS AVAILABLE FOR THIS PURPOSE NOT LATER THAN OCTOBER
2 15, 1999. A DISTRICT SHALL INCLUDE IN ITS APPLICATION A
3 PROJECTED BUDGET FOR THE READING ASSISTANCE PROGRAMS. THE
4 SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL APPROVE OR DISAPPROVE
5 APPLICATIONS AND NOTIFY THE APPLYING DISTRICT OF THAT DECISION
6 NOT LATER THAN FEBRUARY 1, 2000. PRIORITY IN AWARDING GRANTS
7 SHALL BE GIVEN TO PROGRAMS THAT FOCUS ON ACCELERATING STUDENT
8 ACHIEVEMENT ON A COST-EFFECTIVE BASIS AND REDUCING THE PERCENTAGE
9 OF PUPILS IDENTIFIED AS LEARNING DISABLED.

10 (6) NOT MORE THAN 25% OF THE TOTAL ALLOCATION UNDER THIS
11 SECTION MAY BE PAID TO ANY 1 PARTICULAR DISTRICT. THE DEPARTMENT
12 SHALL ENSURE THAT THE DISTRICTS RECEIVING GRANTS ARE
13 GEOGRAPHICALLY DIVERSE.

14 (7) A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL USE
15 THE FUNDS FOR READING IMPROVEMENT PROGRAMS DESCRIBED IN

16 SUBSECTION (3). A DISTRICT RECEIVING FUNDS UNDER THIS SECTION

17 SHALL PROVIDE AT LEAST A 25% LOCAL MATCH FROM LOCAL RESOURCES. THIS
MATCHING REQUIREMENT MAY BE SATISFIED THROUGH IN-KIND SERVICES.

(8) FROM THE FUNDING ALLOCATED UNDER THIS SECTION, AT LEAST
\$250,000.00 SHALL BE USED FOR GRANTS TO DISTRICTS FOR READING
RECOVERY PROGRAMS. A DISTRICT RECEIVING A GRANT UNDER THIS
SUBSECTION SHALL USE THE FUNDS TO IMPLEMENT THE READING RECOVERY
CURRICULUM FOR THE FIRST TIME IN 1 OR MORE OF GRADES K TO 3 IN 1 OR
MORE SCHOOL BUILDINGS.

(9) FUNDING TO DISTRICTS UNDER THIS SECTION FOR 1999-2000 IS
INTENDED TO BE FOR THE FIRST OF 4 YEARS OF FUNDING AND FUNDING TO
DISTRICTS UNDER THIS SECTION FOR 2000-2001 IS INTENDED TO BE FOR THE
SECOND OF 4 YEARS OF FUNDING.

(10) A DISTRICT RECEIVING FUNDING UNDER THIS SECTION SHALL
REPORT TO THE DEPARTMENT, IN THE FORM AND MANNER PRESCRIBED BY THE
DEPARTMENT, ON THE RESULTS ACHIEVED BY THE READING IMPROVEMENT
PROGRAM. THIS REPORT SHALL INCLUDE A DESCRIPTION OF HOW PUPILS'
READING SKILLS ARE ASSESSED AND EVALUATED. NOT LATER THAN SEPTEMBER
1, 2000, AND ANNUALLY THEREAFTER, THE DEPARTMENT SHALL SUBMIT A
REPORT TO THE LEGISLATURE AND THE SENATE AND HOUSE FISCAL AGENCIES
DETAILING THE RESULTS OF THE PILOT READING IMPROVEMENT PROGRAMS. IT
IS THE INTENT OF THE LEGISLATURE THAT FURTHER FUNDING FOR SPECIAL
READING PROGRAMS WILL REFLECT THE RESULTS ACHIEVED IN THESE PILOT
PROGRAMS.

18 SEC. 33. FROM THE STATE SCHOOL AID FUND APPROPRIATION IN
19 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
20 \$15,000,000.00 FOR 1999-2000 ONLY TO A DISTRICT THAT IS A SCHOOL
21 DISTRICT OF THE FIRST CLASS UNDER THE REVISED SCHOOL CODE. FUNDS
22 ALLOCATED UNDER THIS SECTION ARE FOR MEASURES TO IMPROVE STUDENT
23 PERFORMANCE, INCLUDING, BUT NOT LIMITED TO, ENHANCED SCHOOL

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24 SECURITY AND READING READINESS PROGRAMS.

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25 SEC. 34. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION

26 IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED

27 \$60,000.00 EACH FISCAL YEAR FOR 1999-2000 AND 2000-2001 FOR PILOT

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1 PROGRAM GRANTS UNDER THIS SECTION FOR PROJECT JUMPSTART. THE
2 DEPARTMENT SHALL ALLOCATE \$15,000.00 EACH FISCAL YEAR TO EACH OF
3 4 DISTRICTS OPERATING PROJECT JUMPSTART IN 1999-2000 TO PROVIDE
4 EARLY INTERVENTION PROGRAMS. AT LEAST 1 GRANT SHALL BE TO A DIS-
5 TRICT THAT HAS OPERATED PROJECT JUMPSTART IN A PRIOR FISCAL
6 YEAR.

7 (2) TO BE ELIGIBLE FOR A GRANT UNDER THIS SECTION, A DIS-
8 TRICT SHALL APPLY TO THE DEPARTMENT NOT LATER THAN JULY 1, 1999
9 IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT.

10 Sec. 36. (1) From the state school aid fund money appropri-
11 ated in section 11, there is allocated ~~an amount not to exceed~~
12 ~~\$55,000,000.00 for 1997-98,~~ an amount not to exceed
13 \$55,000,000.00 EACH FISCAL YEAR for 1998-99, ~~and an amount not~~
14 ~~to exceed \$60,000,000.00 for~~ 1999-2000, AND 2000-2001 for school
15 readiness grants to enable eligible districts, as determined
16 under section 37, to develop or expand, in conjunction with what-
17 ever federal funds may be available, including, but not limited
18 to, federal funds under title I of the elementary and secondary
19 education act of 1965, Public Law 89-10, 108 Stat. 3519,
20 chapter 1 of title I of the Hawkins-Stafford elementary and sec-
21 ondary school improvement amendments of 1988, Public Law 89-10,
22 102 Stat. 140, and the head start act, subchapter B of chapter 8
23 of subtitle A of title VI of the omnibus budget reconciliation
24 act of 1981, Public Law 97-35, ~~42 U.S.C. 9831 to 9835, 9836 to~~
25 ~~9844, 9846, and 9848 to 9852a,~~ comprehensive compensatory pro-
26 grams designed to improve the readiness and subsequent
27 achievement of educationally disadvantaged children as defined by

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1 the department who will be at least 4, but less than 5 years of
2 age, as of December 1 of the school year in which the programs
3 are offered, and who show evidence of 2 or more risk factors as
4 defined in the state board report entitled "children at risk"
5 that was adopted by the state board on April 5, 1988. A compre-
6 hensive compensatory program funded under this section shall
7 include an age-appropriate educational curriculum, nutritional
8 services, health screening for participating children, a plan for
9 parent and legal guardian involvement, and provision of referral
10 services for families eligible for community social services. In
11 addition, from the general fund money appropriated in section 11,
12 there is allocated ~~for 1997-98, for 1998-99, and for 1999-2000-~~
13 an amount not to exceed \$200,000.00 ~~each fiscal year~~ FOR
14 1998-99 FOR THE PURPOSES OF SUBSECTION (2) AND AN AMOUNT NOT TO
15 EXCEED \$5,200,000.00 EACH FISCAL YEAR FOR 1999-2000 AND 2000-2001
16 for the purposes of ~~subsection~~ SUBSECTIONS (2) AND (3).

17 (2) From the general fund allocation in subsection (1),
18 there is allocated each fiscal year for ~~1997-98,~~ 1998-99, ~~and~~
19 1999-2000, AND 2000-2001 an amount not to exceed \$200,000.00 for
20 a competitive grant to continue a longitudinal evaluation of
21 children who have participated in the Michigan school readiness
22 program.

23 (3) FROM THE GENERAL FUND ALLOCATION IN SUBSECTION (1),
24 THERE IS ALLOCATED EACH FISCAL YEAR FOR 1999-2000 AND 2000-2001
25 AN AMOUNT NOT TO EXCEED \$5,000,000.00 UNDER THIS SUBSECTION TO
26 EXPAND CURRENT SCHOOL READINESS PROGRAMS AND HEAD START PROGRAMS
27 TO OPERATE A FULL DAY. THE FUNDS SHALL BE ALLOCATED THROUGH A

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1 COMPETITIVE GRANT PROCESS TO ELIGIBLE DISTRICTS THAT RECEIVE
2 FUNDING UNDER SUBSECTION (1), TO ELIGIBLE PUBLIC OR NONPROFIT
3 ENTITIES OR AGENCIES THAT RECEIVE FUNDING FOR SCHOOL READINESS
4 PROGRAMS UNDER THE DEPARTMENT APPROPRIATIONS ACT, OR TO ELIGIBLE
5 HEAD START FUNDED PROGRAMS. THE DEPARTMENT SHALL DETERMINE THE
6 COMPETITIVE GRANT CRITERIA. THE DEPARTMENT MAY ACCEPT AVAILABLE
7 FEDERAL FUNDS FROM THE FAMILY INDEPENDENCE AGENCY TO SUPPORT THE
8 PROGRAM UNDER THIS SUBSECTION. THESE FEDERAL FUNDS INCLUDE, BUT
9 ARE NOT LIMITED TO, FEDERAL TEMPORARY ASSISTANCE TO NEEDY FAMI-
10 LIES FUNDS.

11 (4) A DISTRICT, ENTITY, OR AGENCY RECEIVING FUNDING UNDER
12 SUBSECTION (3) THAT OFFERS HEAD START OR SCHOOL READINESS PRO-
13 GRAMS MAY USE THE FUNDS TO EXPAND THE PROGRAM TO OPERATE A FULL
14 DAY.

15 (5) A DISTRICT, ENTITY, OR AGENCY RECEIVING FUNDING UNDER
16 SUBSECTION (3) SHALL CONTRIBUTE A LOCAL MATCH, WHICH MAY CONSIST
17 OF LOCAL, PRIVATE, OR FEDERAL FUNDS OR IN-KIND SERVICES, TOTALING
18 AT LEAST 50% OF THE ALLOCATION UNDER SUBSECTION (3).

19 (6) AN APPLICATION FOR A GRANT UNDER SUBSECTION (3) SHALL BE
20 IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. THE DEPART-
21 MENT SHALL MAKE THE APPLICATION FORM AVAILABLE TO DISTRICTS BY
22 DECEMBER 15 OF THE SCHOOL YEAR. THE APPLICATION SHALL INCLUDE A
23 PROGRAM BUDGET THAT STATES ALL SOURCES OF FUNDING TO BE USED FOR
24 THE PROGRAM. APPLICATIONS SHALL BE SUBMITTED TO THE DEPARTMENT
25 NOT LATER THAN FEBRUARY 1 OF THE SCHOOL YEAR. THE DEPARTMENT
26 SHALL APPROVE OR DISAPPROVE THE APPLICATION AND NOTIFY THE
27 APPLYING DISTRICT, ENTITY, OR AGENCY OF THAT DECISION BY APRIL 1

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1 OF THE SCHOOL YEAR. FUNDS ALLOCATED UNDER SUBSECTION (3) FOR THE
2 CURRENT FISCAL YEAR MAY BE EXPENDED THROUGH THE END OF THE FOL-
3 LOWING FISCAL YEAR.

4 (7) ~~(3)~~ A district receiving a grant under this section
5 may contract for the provision of the comprehensive compensatory
6 program OR FULL DAY SCHOOL READINESS PROGRAM and retain for
7 administrative services an amount equal to not more than 5% of
8 the grant amount.

9 (8) AS USED IN THIS SECTION, "FULL DAY" MEANS A PROGRAM THAT
10 OFFERS SUPPLEMENTARY DAY CARE AND THEREFORE OFFERS FULL-DAY PRO-
11 GRAMMING OF AT LEAST 10 HOURS PER DAY AS PART OF ITS SCHOOL READ-
12 INESS PROGRAM.

13 Sec. 36a. (1) From the general fund appropriation in
14 section 11, there is allocated an amount not to exceed
15 \$2,000,000.00 each fiscal year for 1998-99, ~~and~~ for 1999-2000,
16 AND FOR 2000-2001 to the department for grants for community
17 based collaborative prevention services designed to foster posi-
18 tive parenting skills; improve parent/child interaction, espe-
19 cially for children 0-3 years of age; promote access to needed
20 community services; increase local capacity to serve families at
21 risk; improve school readiness; and support healthy family envi-
22 ronments that discourage alcohol, tobacco, and other drug use.
23 This appropriation is to fund secondary prevention programs as
24 defined by the children's trust fund for the prevention of child
25 abuse and neglect.

26 (2) The funds allocated under ~~this section~~ SUBSECTION (1)
27 shall be distributed through a joint request for proposals

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1 process established by the department in conjunction with the
2 children's trust fund and the state's interagency systems reform
3 workgroup. Projects funded with grants awarded under this sec-
4 tion ~~must~~ SHALL meet all of the following:

5 (a) Be secondary prevention initiatives and voluntary to
6 consumers. This appropriation is not intended to serve the needs
7 of children for whom and families in which neglect or abuse has
8 been substantiated.

9 (b) Demonstrate that the planned services are part of a
10 community's integrated comprehensive family support strategy
11 endorsed by the local multi-purpose collaborative body.

12 (c) Provide a 25% local match, of which not more than 10%
13 may be in-kind services, unless this requirement is waived by the
14 interagency systems reform workgroup.

15 (3) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE
16 IS ALLOCATED AN AMOUNT NOT TO EXCEED \$700,000.00 FOR 1999-2000 TO
17 THE DEPARTMENT FOR GRANTS TO DISTRICTS, INTERMEDIATE DISTRICTS,
18 [] AND MULTIPURPOSE COLLABORATIVE
19 BOARDS FOR THE PURPOSE OF COLLABO-
20 RATIVE COMMUNITY EFFORTS TO INCREASE PARENT INVOLVEMENT IN THEIR
21 CHILDREN'S EDUCATION AND TO ENHANCE PARENT EDUCATION PROGRAMS
22 REGARDING THE ROLE OF PARENTS AS THEIR CHILDREN'S FIRST TEACHER
23 AND THE IMPORTANCE OF PARENTAL INVOLVEMENT IN PREPARING CHILDREN
24 FOR SCHOOL.

25 (4) THE FUNDS ALLOCATED UNDER SUBSECTION (3) SHALL BE DIS-
26 TRIBUTED BY THE DEPARTMENT ON A COMPETITIVE GRANT BASIS. THE
27 GRANTS SHALL BE FOR PROGRAMS FOR FAMILIES WITH PRESCHOOL CHILDREN
FROM BIRTH TO AGE 5. THE MAXIMUM GRANT AWARD SHALL NOT EXCEED

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1 \$100,000.00. GRANT AWARDS SHALL BE MATCHED ON A 1-TO-1 RATIO
2 WITH LOCAL [] FUNDING. THE DEPARTMENT SHALL REPORT
3 TO THE STATE
4 BUDGET OFFICE AND TO THE HOUSE AND SENATE APPROPRIATIONS COMMIT-
5 TEES THE TOTAL APPLICATIONS RECEIVED, THE GRANTS AWARDED, AND THE
6 PROGRAMS PROPOSED.

6 (5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION
7 MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.

8 Sec. 41. From the appropriation in section 11, there is
9 allocated an amount not to exceed \$4,212,000.00 each fiscal year
10 ~~for 1997-98,~~ for 1998-99, ~~and~~ for 1999-2000, AND FOR
11 2000-2001 to applicant districts and intermediate districts
12 offering programs of bilingual instruction for pupils of limited
13 English-speaking ability under section 1153 of the revised school
14 code, MCL 380.1153. Reimbursement shall be on a per pupil basis
15 and shall be based on the number of pupils of limited
16 English-speaking ability in membership on the pupil membership
17 count day. Funds allocated under this section shall be used
18 solely for bilingual instruction in speaking, reading, writing,
19 or comprehension of pupils of limited English-speaking ability.

20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]

26 Sec. 51a. (1) From the appropriation in section 11, there
27 is allocated ~~\$818,786,700.00 for 1997-98 to consist of an amount~~

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1 ~~not to exceed \$722,853,300.00 from state sources and~~
2 ~~\$95,933,400.00 in federal funding under sections 611 to 620 of~~
3 ~~part B of the individuals with disabilities education act, title~~
4 ~~VI of Public Law 91-230, 20 U.S.C. 1411 to 1420, plus any carry-~~
5 ~~over federal funds from previous year appropriations; there is~~
6 ~~allocated for 1998-99 an amount not to exceed -\$760,148,600.00-~~
7 ~~\$738,559,400.00~~ \$735,059,400.00 from state sources and all available
8 federal
9 funding UNDER SECTIONS 611 TO 619 OF PART B OF THE INDIVIDUALS
10 WITH DISABILITIES EDUCATION ACT, TITLE VI OF PUBLIC LAW 91-230,
11 20 U.S.C. 1411 TO 1419, estimated at \$120,000,000.00, plus any
12 carryover federal funds from previous year appropriations; ~~and~~
13 there is allocated for 1999-2000 an amount not to exceed
14 ~~\$818,600,000.00~~ \$789,643,000.00 from state sources and all
15 available federal funding, estimated at \$120,000,000.00, plus any
16 carryover federal funds from previous year appropriations; AND
17 THERE IS ALLOCATED FOR 2000-2001 AN AMOUNT NOT TO EXCEED
18 ~~\$846,260,600.00~~ \$846,252,600.00 FROM STATE SOURCES AND ALL AVAILABLE
19 FEDERAL
20 FUNDING, ESTIMATED AT \$120,000,000.00, PLUS ANY CARRYOVER FEDERAL
21 FUNDS FROM PREVIOUS YEAR APPROPRIATIONS. The allocations under
22 this subsection are for the purpose of reimbursing districts and
23 intermediate districts for special education programs, services,
24 and special education personnel as prescribed in article 3 of the
25 revised school code, MCL 380.1701 to 380.1766; net tuition pay-
26 ments made by intermediate districts to the Michigan schools for
27 the deaf and blind; and ~~programs~~ SPECIAL EDUCATION PROGRAMS AND
SERVICES for pupils who are eligible for special education
programs and services according to statute or rule. For meeting

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1 the costs of special education programs and services not
2 reimbursed under this article, a district or intermediate dis-
3 trict may use money in general funds or special education funds,
4 not otherwise restricted, or contributions from districts to
5 intermediate districts, tuition payments, gifts and contributions
6 from individuals, or federal funds that may be available for this
7 purpose, as determined by the intermediate district plan prepared
8 pursuant to article 3 of the revised school code, MCL 380.1701 to
9 380.1766.

10 (2) From the funds allocated under subsection (1), there is
11 allocated ~~for 1997-98,~~ for 1998-99, ~~and~~ for 1999-2000, AND
12 FOR 2000-2001 the amount necessary, estimated at ~~-\$620,906,100.00~~
13 ~~for 1997-98, \$657,239,100.00~~ \$622,459,400.00 for 1998-99, ~~and~~
14 ~~\$714,848,100.00~~ \$677,953,200.00 for 1999-2000, AND
15 ~~\$734,649,100.00~~ \$734,696,200.00 FOR 2000-2001, for payments toward
16 reimbursing districts and intermediate districts for 28.6138% of total
17 approved costs of special education, excluding costs reimbursed
18 under section 53a, and 70.4165% of total approved costs of spe-
19 cial education transportation. Allocations under this subsection
20 shall be made as follows:

21 (a) The initial amount allocated to a district under this
22 subsection toward fulfilling the specified percentages shall be
23 calculated by multiplying the district's special education pupil
24 membership, excluding pupils described in subsection ~~(13)~~ (12),
25 times the SUM OF THE foundation allowance under section 20 of the
26 pupil's district of residence PLUS, EACH FISCAL YEAR FOR
27 1999-2000 AND 2000-2001 ONLY, THE AMOUNT OF THE DISTRICT'S PER

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1 PUPIL ALLOCATION UNDER SECTION 20J(2), not to exceed \$6,500.00
2 adjusted by the dollar amount of the difference between the basic
3 foundation allowance under section 20 for the current fiscal year
4 ~~and for the immediately preceding fiscal year~~ and \$5,000.00,
5 or, for a special education pupil in membership in a district
6 that is a public school academy or university school, times an
7 amount equal to the amount per membership pupil calculated under
8 section 20(6). For an intermediate district, the amount allo-
9 cated under this subdivision toward fulfilling the specified per-
10 centages shall be an amount per special education membership
11 pupil, excluding pupils described in subsection ~~(13)~~ (12), and
12 shall be calculated in the same manner as for a district, using
13 the foundation allowance under section 20 of the pupil's district
14 of residence, not to exceed \$6,500.00 adjusted by the dollar
15 amount of the difference between the basic foundation allowance
16 under section 20 for the current fiscal year ~~and the immediately~~
17 ~~preceding fiscal year~~ and \$5,000.00, AND, EACH FISCAL YEAR FOR
18 1999-2000 AND 2000-2001 ONLY, THAT DISTRICT'S PER PUPIL ALLOCA-
19 TION UNDER SECTION 20J(2).

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

25 (3) From the funds allocated under subsection (1), there is
26 allocated ~~for 1997-98,~~ EACH FISCAL YEAR for 1998-99, ~~and~~ for
27 1999-2000, AND FOR 2000-2001 the amount necessary, estimated at

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1 ~~\$29,224,700.00 for 1997-98, \$28,995,600.00~~ \$34,860,300.00 for
2 1998-99, ~~and \$29,400,000.00~~ \$34,150,000.00 for 1999-2000, AND
3 \$30,918,800.00 \$30,926,000.00 FOR 2000-2001, to make payments to
4 districts and
5 intermediate districts under this subsection. If the amount
6 allocated to a district or intermediate district for ~~1997-98,~~
7 1998-99, ~~or~~ 1999-2000, OR 2000-2001 under subsection (2)(b) is
8 less than the sum of the amounts allocated to the district or
9 intermediate district for 1996-97 under sections 52 and 58, there
10 is allocated to the district or intermediate district ~~for~~
11 ~~1997-98,~~ for 1998-99, ~~or~~ for 1999-2000, OR FOR 2000-2001 or
12 all of them as applicable, an amount equal to that difference,
13 adjusted by applying the same proration factor that was used in
14 the distribution of funds under section 52 in 1996-97 as adjusted
15 to the district's or intermediate district's necessary costs of
16 special education used in calculations for ~~1997-98,~~ 1998-99,
17 ~~or~~ 1999-2000, OR 2000-2001. This adjustment is to reflect
18 reductions in special education program operations between
19 1996-97 and ~~1997-98,~~ 1998-99, ~~or~~ 1999-2000, OR 2000-2001, as
20 applicable.

21 (4) If the department determines that the sum of the amounts
22 allocated for a fiscal year to a district or intermediate dis-
23 trict under subsection (2)(a) and (b) is not sufficient to ful-
24 fill the specified percentages in subsection (2), then the short-
25 fall shall be paid to the district or intermediate district
26 during the fiscal year beginning on the October 1 following the
27 determination and payments under subsection (3) shall be adjusted
as necessary. If the department determines that the sum of the

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1 amounts allocated for a fiscal year to a district or intermediate
2 district under subsection (2)(a) and (b) exceeds the sum of the
3 amount necessary to fulfill the specified percentages in subsec-
4 tion (2), then the department shall deduct the amount of the
5 excess from the district's or intermediate district's payments
6 under this act for the fiscal year beginning on the October 1
7 following the determination and payments under subsection (3)
8 shall be adjusted as necessary. However, if the amount allocated
9 under subsection (2)(a) in itself exceeds the amount necessary to
10 fulfill the specified percentages in subsection (2), there shall
11 be no deduction under this subsection.

12 (5) State funds shall be allocated on a total approved cost
13 basis. Federal funds shall be allocated under applicable federal
14 requirements, except that ~~an amount not to exceed \$3,100,000.00~~
15 ~~may be allocated by the department for 1997-98, and~~ an amount
16 not to exceed \$3,500,000.00 each fiscal year may be allocated by
17 the department for 1998-99, ~~and~~ for 1999-2000, AND FOR
18 2000-2001 to districts or intermediate districts on a competitive
19 grant basis for programs, equipment, and services that the
20 department determines to be designed to benefit or improve spe-
21 cial education on a statewide scale.

22 (6) From the amount allocated in subsection (1), there is
23 allocated ~~an amount not to exceed \$1,700,000.00 for 1997-98,~~
24 ~~and~~ an amount not to exceed \$2,200,000.00 each fiscal year for
25 1998-99, ~~and~~ for 1999-2000, AND FOR 2000-2001 to reimburse 100%
26 of the net increase in necessary costs incurred by a district or
27 intermediate district in implementing the revisions in the

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1 administrative rules for special education that became effective
2 on July 1, 1987. As used in this subsection, "net increase in
3 necessary costs" means the necessary additional costs incurred
4 solely because of new or revised requirements in the administra-
5 tive rules minus cost savings permitted in implementing the
6 revised rules. Net increase in necessary costs shall be deter-
7 mined in a manner specified by the department.

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

10 (a) "Total approved costs of special education" shall be
11 determined in a manner specified by the department and may
12 include indirect costs, but shall not exceed 115% of approved
13 direct costs for section 52 and section 53a programs. The total
14 approved costs include salary and other compensation for all
15 approved special education personnel for the program, including
16 payments for social security and medicare and public school
17 employee retirement system contributions. The total approved
18 costs do not include salaries or other compensation paid to
19 administrative personnel who are not special education personnel
20 as defined in section 6 of the revised school code, MCL 380.6.
21 Costs reimbursed by federal funds, other than those federal funds
22 included in the allocation made under this article, are not
23 included. Special education approved personnel not utilized full
24 time in the evaluation of students or in the delivery of special
25 education programs, ancillary, and other related services shall
26 be reimbursed under this section only for that portion of time
27 actually spent providing these programs and services, with the

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1 exception of special education programs and services provided to
2 youth placed in child caring institutions or juvenile detention
3 programs approved by the department to provide an on-grounds edu-
4 cation program.

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

18 (8) From the allocation in subsection (1), there is allo-
19 cated ~~for 1997-98,~~ EACH FISCAL YEAR for 1998-99, ~~and~~ for
20 1999-2000, AND FOR 2000-2001 an amount not to exceed
21 \$15,313,900.00 each fiscal year to intermediate districts. The
22 payment under this subsection to each intermediate district shall
23 be equal to the amount of the 1996-97 allocation to the interme-
24 diate district under ~~this~~ subsection (6) OF THIS SECTION AS IN
25 EFFECT FOR 1996-97.

26 (9) A pupil who is enrolled in a full-time special education
27 program conducted or administered by an intermediate district or

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1 a pupil who is enrolled in the Michigan schools for the deaf and
2 blind shall not be included in the membership count of a dis-
3 trict, but shall be counted in membership in the intermediate
4 district of residence.

5 ~~(10) Notwithstanding section 6(4), for 1997-98 only, for~~
6 ~~pupils enrolled in a center program pursuant to an intermediate~~
7 ~~district plan the department shall use for the February 1997 sup-~~
8 ~~plemental count the definition of membership used for the 1997-98~~
9 ~~pupil membership count day.~~

10 (10) ~~(11)~~ Special education personnel transferred from 1
11 district to another to implement the revised school code shall be
12 entitled to the rights, benefits, and tenure to which the person
13 would otherwise be entitled had that person been employed by the
14 receiving district originally.

15 (11) ~~(12)~~ If a district or intermediate district uses
16 money received under this section for a purpose other than the
17 purpose or purposes for which the money is allocated, the depart-
18 ment may require the district or intermediate district to refund
19 the amount of money received. Money that is refunded shall be
20 deposited in the state treasury to the credit of the state school
21 aid fund.

22 (12) ~~(13)~~ From the funds allocated in subsection (1),
23 there is allocated each fiscal year ~~for 1997-98,~~ for 1998-99,
24 ~~and~~ for 1999-2000, AND FOR 2000-2001 the amount necessary,
25 estimated at ~~\$8,370,600.00 for 1997-98, \$9,562,000.00~~
26 \$10,087,800.00 for 1998-99, and ~~\$10,000,000.00~~ \$10,587,200.00
27 for 1999-2000, AND ~~\$11,240,700.00~~ \$11,178,400.00 FOR 2000-2001 to
pay the

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1 foundation allowances for pupils described in this subsection.
2 The allocation to a district under this subsection shall be cal-
3 culated by multiplying the number of pupils described in this
4 subsection who are counted in membership in the district times
5 THE SUM OF the foundation allowance under section 20 of the
6 pupil's district of residence PLUS, EACH FISCAL YEAR FOR
7 1999-2000 AND 2000-2001 ONLY, THE AMOUNT OF THE DISTRICT'S PER
8 PUPIL ALLOCATION UNDER SECTION 20J(2), not to exceed \$6,500.00
9 adjusted by the dollar amount of the difference between the basic
10 foundation allowance under section 20 for the current fiscal year
11 ~~and for the immediately preceding fiscal year~~ and \$5,000.00,
12 or, for a pupil described in this subsection who is counted in
13 membership in a district that is a public school academy or uni-
14 versity school, times an amount equal to the amount per member-
15 ship pupil under section 20(6). The allocation to an intermedi-
16 ate district under this subsection shall be calculated in the
17 same manner as for a district, using the foundation allowance
18 under section 20 of the pupil's district of residence, not to
19 exceed \$6,500.00 adjusted by the dollar amount of the difference
20 between the basic foundation allowance under section 20 for the
21 current fiscal year ~~and for the immediately preceding fiscal~~
22 ~~year~~ and \$5,000.00, AND, EACH FISCAL YEAR FOR 1999-2000 AND
23 2000-2001 ONLY, THAT DISTRICT'S PER PUPIL ALLOCATION UNDER
24 SECTION 20J(2). This subsection applies to all of the following
25 pupils:
26 (a) Pupils described in section 53a.

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

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

8 (13) ~~(14)~~ After payments under subsections (2) and ~~(13)~~
9 (12), the remaining expenditures from the allocation in subsec-
10 tion (1) shall be made in the following order:

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

12 (b) 100% of the reimbursement required under subsection
13 (6).

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

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

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

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

18 Sec. 53a. (1) Reimbursement shall be 100% of the total
19 approved costs of operating special education programs and serv-
20 ices approved by the department and included in the intermediate
21 district plan adopted pursuant to article 3 of the revised school
22 code, MCL 380.1701 to 380.1766, minus the foundation allowance
23 calculated under section 20, AND, EACH FISCAL YEAR FOR 1999-2000
24 AND 2000-2001 ONLY, MINUS THE AMOUNT OF THE DISTRICT'S PER PUPIL
25 ALLOCATION UNDER SECTION 20J(2), for the following special educa-
26 tion pupils:

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1 (a) Pupils assigned to a district or intermediate district
2 through the community placement program of the courts or a state
3 agency, if the pupil was a resident of another intermediate dis-
4 trict at the time the pupil came under the jurisdiction of the
5 court or a state agency.

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

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

11 ~~(d) Pupils who are dependents of foreign diplomats who~~
12 ~~reside in this state and who are placed in a center program.~~

13 (D) ~~(e)~~ Pupils enrolled in a department-approved
14 on-grounds educational program longer than ~~181~~ 180 days, but
15 not longer than 233 days, at a residential child care institu-
16 tion, if the child care institution offered in 1991-92 an
17 on-grounds educational program longer than ~~181~~ 180 days but not
18 longer than 233 days.

19 (E) ~~(f)~~ Pupils placed in a district by a parent for the
20 purpose of seeking a suitable home, if the parent does not reside
21 in the same intermediate district as the district in which the
22 pupil is placed.

23 (2) Only those costs that are clearly and directly attribut-
24 able to educational programs for pupils described in subsection
25 (1), and that would not have been incurred if the pupils were not
26 being educated in a district or intermediate district, are
27 reimbursable under this section.

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1 (3) The costs of transportation shall be funded under this
2 section but shall not be reimbursed under section 58.

3 (4) Not more than ~~-\$15,000,000.00 for 1997-98, and not more~~
4 ~~than~~ \$14,500,000.00 each fiscal year for 1998-99, ~~and~~
5 1999-2000, AND 2000-2001 of the allocation in section 51a(1)
6 shall be allocated under this section.

7 Sec. 54. In addition to the aid received under section 52,
8 each intermediate district shall receive an amount per pupil for
9 each pupil in attendance at the Michigan schools for the deaf and
10 blind. The amount shall be proportionate to the total instruc-
11 tional cost at each school. Not more than \$1,688,000.00 each
12 fiscal year ~~for 1997-98,~~ for 1998-99, ~~and for~~ 1999-2000, AND
13 2000-2001 of the allocation in section 51a(1) shall be allocated
14 under this section.

15 Sec. 56. (1) For the purposes of this section:

16 (a) "Membership" means ~~for 1997-98 the total membership in~~
17 ~~1996-97 of the intermediate district and the districts constitu-~~
18 ~~ent to the intermediate district; means~~ for 1998-99 the total
19 membership in 1997-98 of the intermediate district and the dis-
20 tricts constituent to the intermediate district; ~~and~~ means for
21 1999-2000 the total membership in 1998-99 of the intermediate
22 district and the districts constituent to the intermediate
23 district; AND MEANS FOR 2000-2001 THE TOTAL MEMBERSHIP IN
24 1999-2000 OF THE INTERMEDIATE DISTRICT AND THE DISTRICTS CONSTIT-
25 UENT TO THE INTERMEDIATE DISTRICT.

26 (b) "Millage levied" means the millage levied for special
27 education pursuant to part 30 of the revised school code,

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1 MCL 380.1711 to 380.1743, including a levy for debt service
2 obligations.

3 (c) "Taxable value" means the total taxable value of the
4 districts constituent to an intermediate district, except that if
5 a district has elected not to come under part 30 of the revised
6 school code, MCL 380.1711 to 380.1743, membership and taxable
7 value of the district shall not be included in the membership and
8 taxable value of the intermediate district.

9 (2) From the allocation under section 51a(1), there is allo-
10 cated an amount not to exceed ~~-\$30,650,000.00 each fiscal year~~
11 ~~for 1997-98 and~~ \$33,950,000.00 for 1998-99, ~~and~~ \$34,150,000.00
12 FOR 1999-2000, AND \$35,750,000.00 FOR 2000-2001 to reimburse
13 intermediate districts levying millages for special education
14 pursuant to part 30 of the revised school code, MCL 380.1711 to
15 380.1743. The purpose, use, and expenditure of the reimbursement
16 shall be limited as if the funds were generated by these millages
17 and governed by the intermediate district plan adopted pursuant
18 to article 3 of the revised school code, MCL 380.1701 to
19 380.1766. As a condition of receiving funds under this section,
20 an intermediate district distributing any portion of special edu-
21 cation millage funds to its constituent districts shall submit
22 for departmental approval and implement a distribution plan that
23 utilizes at least THE SUM OF a district's foundation allowance,
24 as calculated under section 20, PLUS, EACH FISCAL YEAR FOR
25 1999-2000 AND 2000-2001 ONLY, THE AMOUNT OF THE DISTRICT'S PER
26 PUPIL ALLOCATION UNDER SECTION 20J(2), as a required local
27 contribution.

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1 (3) ~~Reimbursement for those millages levied in 1996-97~~
2 ~~shall be made in 1997-98 at an amount per 1996-97 membership~~
3 ~~pupil computed by subtracting from \$98,200.00 the 1996-97 taxable~~
4 ~~value behind each membership pupil, and multiplying the resulting~~
5 ~~difference by the 1996-97 millage levied.~~ Reimbursement for
6 those millages levied in 1997-98 shall be made in 1998-99 at an
7 amount per 1997-98 membership pupil computed by subtracting from
8 \$102,200.00 the 1997-98 taxable value behind each membership
9 pupil, and multiplying the resulting difference by the 1997-98
10 millage levied. Reimbursement for those millages levied in
11 1998-99 shall be made in 1999-2000 at an amount per 1998-99 mem-
12 bership pupil computed by subtracting from \$106,800.00 the
13 1998-99 taxable value behind each membership pupil, and multiply-
14 ing the resulting difference by the 1998-99 millage levied.
15 REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 1999-2000 SHALL BE
16 MADE IN 2000-2001 AT AN AMOUNT PER 1999-2000 MEMBERSHIP PUPIL
17 COMPUTED BY SUBTRACTING FROM \$111,600.00 THE 1999-2000 TAXABLE
18 VALUE BEHIND EACH MEMBERSHIP PUPIL, AND MULTIPLYING THE RESULTING
19 DIFFERENCE BY THE 1999-2000 MILLAGE LEVIED.

20 Sec. 57. (1) From the appropriation in section 11, there is
21 allocated an amount not to exceed \$600,000.00 each fiscal year
22 ~~for 1997-98,~~ for 1998-99, ~~and~~ for 1999-2000, AND FOR
23 2000-2001 to applicant intermediate districts that provide sup-
24 port services for the education of gifted and talented pupils.
25 An intermediate district is entitled to 75% of the actual salary,
26 but not to exceed \$25,000.00 reimbursement for an individual
27 salary, of a support services teacher approved by the department,

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1 and not to exceed \$4,000.00 reimbursement for expenditures to
2 support program costs, excluding in-county travel and salary, as
3 approved by the department.

4 (2) From the appropriation in section 11, there is allocated
5 an amount not to exceed \$400,000.00 each fiscal year ~~for~~
6 ~~1997-98,~~ for 1998-99, ~~and~~ for 1999-2000, AND FOR 2000-2001 to
7 support part of the cost of summer institutes for gifted and tal-
8 ented students. This amount shall be contracted to applicant
9 intermediate districts in cooperation with a local institution of
10 higher education and shall be coordinated by the department.

11 (3) From the appropriation in section 11, there is allocated
12 an amount not to exceed \$4,000,000.00 each fiscal year ~~for~~
13 ~~1997-98,~~ for 1998-99, ~~and~~ for 1999-2000, AND FOR 2000-2001,
14 for the development and operation of comprehensive programs for
15 gifted and talented pupils. An eligible district or consortium
16 of districts shall receive an amount not to exceed \$50.00 per
17 K-12 pupil for up to 5% of the district's or consortium's K-12
18 membership for the immediately preceding fiscal year with a mini-
19 mum total grant of \$3,000.00. Funding shall be provided in the
20 following order: the per pupil allotment, and then the minimum
21 total grant of \$3,000.00 to individual districts. An intermedi-
22 ate district may act as the fiscal agent for a consortium of
23 districts. In order to be eligible for funding under this sub-
24 section, the district or consortium of districts shall submit
25 each year a current 3-year plan for operating a comprehensive
26 program for gifted and talented pupils and the district or
27 consortium shall demonstrate to the department that the district

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1 or consortium will contribute matching funds of at least \$50.00
2 per K-12 pupil. The plan or revised plan shall be developed in
3 accordance with criteria established by the department and shall
4 be submitted to the department for approval. Within the cri-
5 teria, the department shall encourage the development of consor-
6 tia among districts of less than 5,000 memberships.

7 Sec. 61a. (1) From the appropriation in section 11, there
8 is allocated an amount not to exceed \$31,027,600.00 each fiscal
9 year ~~for 1997-98,~~ for 1998-99, ~~and~~ for 1999-2000, AND FOR
10 2000-2001 to reimburse on an added cost basis districts, except
11 for a district that served as the fiscal agent for a vocational
12 education consortium in the 1993-94 school year, and secondary
13 area vocational-technical education centers for secondary-level
14 vocational-technical education programs, including parenthood
15 education programs, according to ~~state board~~ rules APPROVED BY
16 THE SUPERINTENDENT. Applications for participation in the pro-
17 grams shall be submitted in the form prescribed by the
18 department. The department shall determine the added cost for
19 each vocational-technical program area. The allocation of added
20 cost funds shall be based on the type of vocational-technical
21 programs provided, the number of pupils enrolled, and the length
22 of the training period provided, and shall not exceed 75% of the
23 added cost of any program. With the approval of the department,
24 the board of a district maintaining a secondary
25 vocational-technical education program may offer the program for
26 the period from the close of the school year until September 1.
27 The program shall use existing facilities and shall be operated

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1 as prescribed by rules promulgated by the ~~state board~~
2 SUPERINTENDENT.

3 (2) Except for a district that served as the fiscal agent
4 for a vocational education consortium in the 1993-94 school year,
5 districts and intermediate districts shall be reimbursed for
6 local vocational administration, shared time vocational adminis-
7 tration, and career education planning district
8 vocational-technical administration. The definition of what con-
9 stitutes administration and reimbursement shall be pursuant to
10 guidelines adopted by the ~~state board~~ SUPERINTENDENT. Not more
11 than \$800,000.00 of the allocation in subsection (1) shall be
12 distributed under this subsection.

13 (3) From the allocation in subsection (1), there is allo-
14 cated an amount not to exceed \$400,000.00 each fiscal year to
15 intermediate districts with constituent districts that had com-
16 bined state and local revenue per membership pupil in the 1994-95
17 state fiscal year of \$6,500.00 or more, served as a fiscal agent
18 for a state board designated area vocational education center in
19 the 1993-94 school year, and had an adjustment made to their
20 1994-95 combined state and local revenue per membership pupil
21 pursuant to section 20d. The payment under this subsection to
22 the intermediate district shall equal the amount of the alloca-
23 tion to the intermediate district for 1996-97 under this
24 subsection.

25 Sec. 62. (1) For the purposes of this section:

26 (a) "Membership" means ~~for 1997-98 the total membership in~~
27 ~~1996-97 of the intermediate district and the districts~~

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1 ~~constituent to the intermediate district or the total membership~~
2 ~~in 1996-97 of the area vocational-technical education program;~~
3 ~~means~~ for 1998-99 the total membership in 1997-98 of the inter-
4 mediate district and the districts constituent to the intermedi-
5 ate district or the total membership in 1997-98 of the area
6 vocational-technical program; ~~and~~ means for 1999-2000 the total
7 membership in 1998-99 of the intermediate district and the dis-
8 tricts constituent to the intermediate district or the total mem-
9 bership in 1998-99 of the area vocational-technical program; AND
10 MEANS FOR 2000-2001 THE TOTAL MEMBERSHIP IN 1999-2000 OF THE
11 INTERMEDIATE DISTRICT AND THE DISTRICTS CONSTITUENT TO THE INTER-
12 MEDIATE DISTRICT OR THE TOTAL MEMBERSHIP IN 1999-2000 OF THE AREA
13 VOCATIONAL-TECHNICAL PROGRAM.

14 (b) "Millage levied" means the millage levied for area
15 vocational-technical education pursuant to sections 681 to 690 of
16 the revised school code, MCL 380.681 to 380.690, including a levy
17 for debt service obligations incurred as the result of borrowing
18 for capital outlay projects and in meeting capital projects fund
19 requirements of area vocational-technical education.

20 (c) "Taxable value" means the total taxable value of the
21 districts constituent to an intermediate district or area
22 vocational-technical education program, except that if a district
23 has elected not to come under sections 681 to 690 of the revised
24 school code, MCL 380.681 to 380.690, the membership and taxable
25 value of that district shall not be included in the membership
26 and taxable value of the intermediate district. However,
27 beginning in 1998-99, the membership and taxable value of a

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1 district that has elected not to come under sections 681 to 690
2 of the revised school code shall be included in the membership
3 and taxable value of the intermediate district if the district
4 meets both of the following:

5 (i) The district operates the area vocational-technical edu-
6 cation program pursuant to a contract with the intermediate
7 district.

8 (ii) The district contributes an annual amount to the opera-
9 tion of the program that is commensurate with the revenue that
10 would have been raised for operation of the program if millage
11 were levied in the district for the program under sections 681 to
12 690 of the revised school code, MCL 380.681 to 380.690.

13 (2) From the appropriation in section 11, there is allocated
14 an amount not to exceed ~~\$7,200,000.00 for 1997-98 and an amount~~
15 ~~not to exceed \$8,550,000.00~~ \$9,650,000.00 each fiscal year for
16 1998-99 and for 1999-2000 AND AN AMOUNT NOT TO EXCEED
17 \$10,250,000.00 FOR 2000-2001 to reimburse intermediate districts
18 and area vocational-technical education programs established
19 under section 690(3) of the revised school code, MCL 380.690,
20 levying millages for area vocational-technical education pursuant
21 to sections 681 to 690 of the revised school code, MCL 380.681 to
22 380.690. The purpose, use, and expenditure of the reimbursement
23 shall be limited as if the funds were generated by those
24 millages.

25 (3) ~~Reimbursement for the millages levied in 1996-97 shall~~
26 ~~be made in 1997-98 at an amount per 1996-97 membership pupil~~
27 ~~computed by subtracting from \$98,700.00 the 1996-97 taxable value~~

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1 ~~behind each membership pupil, and multiplying the resulting~~
2 ~~difference by the 1996-97 millage levied.~~ Reimbursement for the
3 millages levied in 1997-98 shall be made in 1998-99 at an amount
4 per 1997-98 membership pupil computed by subtracting from
5 \$104,400.00 the 1997-98 taxable value behind each membership
6 pupil, and multiplying the resulting difference by the 1997-98
7 millage levied. Reimbursement for the millages levied in 1998-99
8 shall be made in 1999-2000 at an amount per 1998-99 membership
9 pupil computed by subtracting from \$108,800.00 the 1998-99 tax-
10 able value behind each membership pupil, and multiplying the
11 resulting difference by the 1998-99 millage levied.

12 REIMBURSEMENT FOR THE MILLAGES LEVIED IN 1999-2000 SHALL BE MADE
13 IN 2000-2001 AT AN AMOUNT PER 1999-2000 MEMBERSHIP PUPIL COMPUTED
14 BY SUBTRACTING FROM \$113,400.00 THE 1999-2000 TAXABLE VALUE
15 BEHIND EACH MEMBERSHIP PUPIL, AND MULTIPLYING THE RESULTING DIF-
16 FERENCE BY THE 1999-2000 MILLAGE LEVIED.

17 Sec. 63. (1) From the appropriation in section 11, there is
18 allocated an amount not to exceed \$1,800,000.00 EACH FISCAL YEAR
19 for 1999-2000 AND 2000-2001 for implementation of the Michigan
20 manufacturing technology program for the 1999-2000 AND 2000-2001
21 school ~~year~~ YEARS as provided under this section.

22 (2) From the allocation in subsection (1), there is allo-
23 cated \$1,800,000.00 EACH FISCAL YEAR to the department, in con-
24 junction with the ~~Michigan jobs commission~~ DEPARTMENT OF CAREER
25 DEVELOPMENT, to award competitive grants for the purpose of
26 improving manufacturing technology programs offered by public
27 education agencies. The maximum amount of a grant under this

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1 subsection shall not exceed \$50,000.00 EACH FISCAL YEAR for each
2 public education agency determined to be eligible for funding.

3 (3) Applications for grants under subsection (2) shall be
4 submitted in a form and manner determined by the department, in
5 conjunction with the ~~Michigan jobs commission~~ DEPARTMENT OF
6 CAREER DEVELOPMENT. Criteria for funding shall include all of
7 the following:

8 (a) The public education agency operates a manufacturing
9 technology program, is a participating agency in a regional
10 career preparation plan described in section 68, and has the sup-
11 port of the local workforce development board for submission of
12 the grant application.

13 (b) The public education agency offers employer-provided
14 instruction for its pupils as part of its manufacturing technol-
15 ogy curriculum.

16 (c) The public education agency agrees to evaluate the
17 impact of the grant.

18 (d) Any other criteria determined by the department, in con-
19 junction with the ~~Michigan jobs commission~~ DEPARTMENT OF CAREER
20 DEVELOPMENT.

21 (4) Grants awarded under subsection (2) shall be used by
22 eligible public education agencies for activities intended to
23 increase the amount of employer-provided instruction provided to
24 pupils and to increase pupil awareness of manufacturing technol-
25 ogy programs.

26 (5) The department, in conjunction with the ~~Michigan jobs~~
27 ~~commission~~ DEPARTMENT OF CAREER DEVELOPMENT, shall consider the

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1 potential for graduates to be placed in high-wage, high-demand
2 positions upon completion of the manufacturing technology program
3 in its determination of grant awards.

4 (6) Grants under subsection (2) shall be awarded by the
5 department no later than ~~April 30, 2000~~ MAY 31 BEFORE THE
6 BEGINNING OF EACH FISCAL YEAR and paid out to the grant recip-
7 ients in total no later than ~~May 20, 2000~~ OCTOBER 1 OF THE
8 FISCAL YEAR FOR WHICH THE GRANT IS AWARDED. Funds may be used by
9 grant recipients to support allowable expenditures in the follow-
10 ing school year.

11 Sec. 67. (1) From the general fund appropriation in section
12 11, there is allocated an amount not to exceed ~~-\$1,300,000.00~~ for
13 ~~1997-98~~ and an amount not to exceed \$350,000.00 EACH FISCAL YEAR
14 for 1998-99, FOR 1999-2000, AND FOR 2000-2001 for Michigan career
15 preparation system grants under this section.

16 ~~(2) From the amount allocated under subsection (1) for~~
17 ~~1997-98, \$1,150,000.00 shall be allocated by the department in~~
18 ~~equal payments on October 20, 1997 and on February 20, 1998, to~~
19 ~~local workforce development boards solely for the use of their~~
20 ~~education advisory groups, as described in section 68. Payments~~
21 ~~under this subsection to local workforce development boards shall~~
22 ~~be used for the purposes of developing regional career prepara-~~
23 ~~tion plans described in section 68.~~

24 (2) ~~(3)~~ From the allocation in subsection (1), there is
25 allocated ~~-\$50,000.00 for 1997-98~~ and \$150,000.00 EACH FISCAL
26 YEAR for 1998-99, FOR 1999-2000, AND FOR 2000-2001 to the council
27 for career preparation standards to identify uniform career

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1 competency standards and assessments for career clusters, to
2 establish a statewide information system on current and antici-
3 pated employment opportunities and the required level of skills
4 and education required for employment, and for any other council
5 functions.

6 (3) ~~(4)~~ From the allocation in subsection (1), ~~for~~
7 ~~1998-99,~~ there is allocated \$100,000.00 EACH FISCAL YEAR for
8 1998-99, FOR 1999-2000, AND FOR 2000-2001 to the council for
9 career preparation standards to provide information to parents,
10 pupils, school personnel, employers, and others regarding oppor-
11 tunities to receive integrated academic and technical preparation
12 in the public schools of this state.

13 ~~(5) From the appropriation in subsection (1) for 1997-98,~~
14 ~~there is allocated \$100,000.00 for 1997-98 to the department to~~
15 ~~establish guidelines for education advisory groups and regional~~
16 ~~career preparation plans and to provide technical assistance to~~
17 ~~local workforce development boards and education advisory groups,~~
18 ~~in collaboration with the Michigan jobs commission. The depart-~~
19 ~~ment shall distribute the guidelines to education agencies and to~~
20 ~~all local workforce development boards.~~

21 (4) ~~(6)~~ From the allocation in subsection (1) for 1998-99,
22 there is allocated \$100,000.00 for 1998-99 to the department OF
23 CAREER DEVELOPMENT to establish peer review criteria, procedures,
24 and standards and to provide technical assistance to local peer
25 review committees created under section 68(4) ~~, in collaboration~~
26 ~~with the Michigan jobs commission~~ AND TO THE COUNCIL FOR CAREER
27 PREPARATION STANDARDS.

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1 (5) FROM THE ALLOCATION IN SUBSECTION (1) FOR 1999-2000 AND
2 2000-2001, THERE IS ALLOCATED \$100,000.00 EACH FISCAL YEAR FOR
3 1999-2000 AND 2000-2001 TO THE DEPARTMENT OF CAREER DEVELOPMENT
4 TO PROVIDE TECHNICAL ASSISTANCE TO ELIGIBLE EDUCATION AGENCIES,
5 LOCAL WORKFORCE DEVELOPMENT BOARDS, AND THE COUNCIL FOR CAREER
6 PREPARATION STANDARDS.

7 (6) ~~(7)~~ As used in this section and in section 68:

8 (a) "Advanced career academy" means a career preparation
9 program operated by a district, by an intermediate district, or
10 by a public school academy, that applies for and receives
11 advanced career academy designation from the department. To
12 receive this designation, a career preparation program shall meet
13 criteria established by the department, in collaboration with the
14 ~~Michigan jobs commission~~ DEPARTMENT OF CAREER DEVELOPMENT,
15 which criteria shall include at least all of the following:

16 (i) Satisfactory completion of a peer review process.

17 (ii) Operation of programs for those career clusters identi-
18 fied by the council for career preparation standards as being
19 eligible for advanced career academy status.

20 (iii) Involvement of employers in the design and implementa-
21 tion of career preparation programs.

22 (iv) A fully integrated program of academic and technical
23 education available to pupils.

24 (v) Demonstration of an established career preparation
25 system resulting in industry-validated career ladders for gradu-
26 ates of the program, including, but not limited to, written
27 articulation agreements with postsecondary institutions to allow

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1 pupils to receive advanced college placement and credit or
2 federally registered apprenticeships, as applicable.

3 (b) "Career cluster" means a grouping of occupations from 1
4 or more industries that share common skill requirements.

5 (c) "Career preparation system" is a system of programs and
6 strategies providing pupils with opportunities to prepare for
7 success in careers of their choice.

8 (d) "Eligible education agency" means a district, intermedi-
9 ate district, or advanced career academy that provides career
10 preparation programs either directly or under a contract with a
11 postsecondary institution or an employer as part of an approved
12 regional career preparation plan.

13 (e) "FTE" means full-time equivalent pupil as determined by
14 the department.

15 (f) "Workforce development board" means a local workforce
16 development board established pursuant to the job training part-
17 nership act, Public Law 97-300, 96 Stat. 1322, and the
18 school-to-work opportunities act of 1994, Public Law 103-239, 108
19 Stat. 568, or the equivalent.

20 Sec. 68. (1) From the general fund appropriation in section
21 11, there is allocated an amount not to exceed \$23,850,000.00
22 each fiscal year for 1998-99, ~~and~~ for 1999-2000, AND FOR
23 2000-2001 to be used to implement the Michigan career preparation
24 system in the 1998-99 and 1999-2000 AND 2000-2001 school years as
25 provided under this section. From this allocation, the depart-
26 ment may reserve an amount not to exceed \$2,000,000.00 each
27 fiscal year for career preparation programs that have achieved

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1 designation as an advanced career academy. In order to receive
2 funds under this section, an eligible education agency shall be
3 part of an approved regional career preparation plan under sub-
4 section (2) and shall agree to expend the funds required under
5 this section in accordance with the regional career preparation
6 plan. Funds awarded under this section that are not expended in
7 accordance with this section may be recovered by the department.

8 (2) In order to receive funding under this section, an eli-
9 gible education agency shall be a part of an approved 3-year
10 regional career preparation plan as described in this
11 subsection. All of the following apply to a regional career
12 preparation plan:

13 (a) A 3-year regional career preparation plan shall be
14 developed under subdivisions (b), (c), and (d) for all public
15 education agencies providing career preparation programs as part
16 of a regional career preparation system within the geographical
17 boundaries of a local workforce development board, and revised
18 annually. If an intermediate district is located within the geo-
19 graphical boundaries of more than 1 local workforce development
20 board, the board of the intermediate district shall choose 1
21 local workforce development board with which to align and shall
22 notify the department of this choice not later than October 31,
23 1997.

24 (b) The regional career preparation plan shall be developed
25 by representatives of the education advisory group of each local
26 workforce development board in accordance with guidelines
27 developed under FORMER section 67(5), and in accordance with

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1 subdivisions (d) and (e). All of the following shall be
2 represented on each education advisory group: workforce develop-
3 ment board members, other employers, labor, ~~local school~~ dis-
4 tricts, intermediate ~~school~~ districts, postsecondary institu-
5 tions, career/technical educators, parents of public school
6 pupils, and academic educators. The representatives of ~~local~~
7 ~~school~~ districts, intermediate ~~school~~ districts, and postsec-
8 ondary institutions appointed to the education advisory group by
9 the local workforce development board shall be individuals desig-
10 nated by the board of the ~~school~~ district, intermediate
11 ~~school~~ district, or postsecondary institution.

12 (c) By majority vote, the education advisory group may nomi-
13 nate 1 education representative, who may or may not be a member
14 of the education advisory group, for appointment to the local
15 workforce development board. This education representative shall
16 be in addition to existing education representation on the local
17 workforce development board. This education representative shall
18 meet all local workforce development board membership
19 requirements.

20 (d) The components of the regional career preparation plan
21 shall include, but are not limited to, all of the following:

22 (i) The roles of districts, intermediate districts, advanced
23 career academies, postsecondary institutions, employers, labor
24 representatives, and others in the career preparation system.

25 (ii) Programs to be offered, including at least career
26 exploration activities, for middle school pupils.

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1 (iii) Identification of integrated academic and technical
2 curriculum, including related professional development training
3 for teachers.

4 (iv) Identification of work-based learning opportunities for
5 pupils and for teachers and other school personnel.

6 (v) Identification of testing and assessments that will be
7 used to measure pupil achievement.

8 (vi) Identification of all federal, state, local, and pri-
9 vate sources of funding available for career preparation programs
10 in the region.

11 (e) The education advisory group shall develop a 3-year
12 regional career preparation plan and submit the plan to the
13 department for final approval. The submission to the department
14 shall also include statements signed by the chair of the educa-
15 tion advisory group and the chair of the local workforce develop-
16 ment board certifying that the plan has been reviewed by each
17 entity. Upon department approval, all eligible education agen-
18 cies designated in the regional career preparation plan as part
19 of the career preparation delivery system are eligible for fund-
20 ing under this section.

21 (3) Funding under this section shall be distributed to eli-
22 gible education agencies by the department for allowable costs
23 defined in this subsection and identified as necessary costs for
24 implementing a regional career preparation plan, as follows:

25 (a) The department shall rank all career clusters, including
26 career exploration, guidance, and counseling. Rank determination
27 will be based on median salary data in career clusters and

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1 employment opportunity data provided by the council for career
2 preparation standards. In addition, rank determination shall be
3 based on placement data available for prior year graduates of the
4 programs in the career clusters either in related careers or
5 postsecondary education. The procedure for ranking of career
6 clusters shall be determined by the department.

7 (b) Allowable costs to be funded under this section shall be
8 determined by the department. Budgets submitted by eligible edu-
9 cation agencies to the department in order to receive funding
10 shall identify funds and in-kind contributions from the regional
11 career education plan, excluding funds or in-kind contributions
12 available as a result of funding received under section 61a,
13 equal to at least 100% of anticipated funding under this
14 section. Eligible categories of allowable costs are the
15 following:

16 (i) Career exploration, guidance, and counseling.

17 (ii) Curriculum development, including integration of aca-
18 demic and technical content, and professional development for
19 teachers directly related to career preparation.

20 (iii) Technology and equipment determined to be necessary.

21 (iv) Supplies and materials directly related to career prep-
22 aration programs.

23 (v) Work-based learning expenses for pupils, teachers, and
24 counselors.

25 (vi) Evaluation, including career competency testing and
26 peer review.

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1 (vii) Career placement services.

2 (viii) Student leadership organizations integral to the
3 career preparation system.

4 (ix) Up to 10% of the allocation to an eligible education
5 agency may be expended for planning, coordination, direct over-
6 sight, and accountability for the career preparation system.

7 (c) The department shall calculate career preparation costs
8 per FTE for each career cluster, including career exploration,
9 guidance, and counseling, by dividing the allowable costs for
10 each career cluster by the prior year FTE enrollment for each
11 career cluster. Distribution to eligible education agencies
12 shall be the product of 50% of career preparation costs per FTE
13 times the current year FTE enrollment of each career cluster.
14 This allocation shall be distributed to eligible education agen-
15 cies in decreasing order of the career cluster ranking described
16 in subdivision (a) until the money allocated for grant recipients
17 in this section is distributed. However, beginning in 1999-2000,
18 an individual career preparation program shall not be funded
19 under this section, regardless of career cluster ranking, if it
20 does not attain compliance with career competency standards set
21 by the council for career preparation standards for the particu-
22 lar career cluster.

23 (4) The department, in collaboration with the ~~Michigan jobs~~
24 ~~commission~~ DEPARTMENT OF CAREER DEVELOPMENT, shall establish a
25 review procedure for assessing the career preparation system in
26 each region. Each local workforce development board shall
27 establish regional peer review committees that include employers,

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1 educators, labor representatives, parents, and representatives of
2 the local workforce development board nominated by the local
3 workforce development board and the education advisory group.

4 All of the following apply to peer review committees:

5 (a) Peer review committees are responsible for assuring the
6 quality of the career preparation system. A peer review commit-
7 tee shall review career preparation programs to ensure compliance
8 with career competency standards as well as other program evalu-
9 ation criteria.

10 (b) A peer review committee shall report its findings and
11 recommendations for changes to the eligible education agency
12 operating the career preparation program, the local workforce
13 development board, the education advisory group responsible for
14 revising the regional career preparation plan, and the
15 department.

16 (c) The next revision of a regional career preparation plan
17 shall take into account the findings of a peer review committee
18 in order for the affected education agencies to receive continued
19 funding under this section.

20 Sec. 74. (1) From the amount appropriated in section 11,
21 there is allocated an amount not to exceed \$1,625,000.00 each
22 fiscal year ~~for 1997-98,~~ for 1998-99, ~~and~~ for 1999-2000, AND
23 FOR 2000-2001 for the purposes of subsections (2) and (3).

24 (2) From the allocation in subsection (1), there is allo-
25 cated each fiscal year the amount necessary for payments to state
26 supported colleges or universities and intermediate districts
27 providing school bus driver safety instruction or driver skills

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1 road tests pursuant to section 51 of the pupil transportation
2 act, 1990 PA 187, MCL 257.1851. The payments shall be in an
3 amount determined by the department not to exceed 75% of the
4 actual cost of instruction and driver compensation for each
5 public or nonpublic school bus driver attending a course of
6 instruction. For the purpose of computing compensation, the
7 hourly rate allowed each school bus driver shall not exceed the
8 hourly rate received for driving a school bus. Reimbursement
9 compensating the driver during the course of instruction or
10 driver skills road tests shall be made by the department to the
11 college or university or intermediate district providing the
12 course of instruction.

13 (3) From the allocation in subsection (1), there is allo-
14 cated each fiscal year the amount necessary to pay the reasonable
15 costs of nonspecial education auxiliary services transportation
16 provided pursuant to section 1323 of the revised school code,
17 MCL 380.1323. Districts funded under this subsection shall not
18 receive funding under any other section of this act for nonspe-
19 cial education auxiliary services transportation.

20 Sec. 81. (1) Except as otherwise provided in this section,
21 from the appropriation in section 11, there is allocated each
22 fiscal year ~~for 1997-98,~~ for 1998-99 ~~,~~ and for 1999-2000 to
23 the intermediate districts the sum necessary, but not to exceed
24 ~~\$81,266,700.00 for 1997-98, not to exceed \$79,912,000.00~~
25 \$79,850,000.00 for 1998-99, ~~and~~ not to exceed ~~\$82,644,800.00~~
~~\$83,203,700.00~~
26 for 1999-2000, AND NOT TO EXCEED ~~\$85,744,000.00~~ \$85,616,600.00 FOR
27 2000-2001 to provide state aid to intermediate districts under this section.

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1 Except as otherwise provided in this section, there shall be
2 allocated to each intermediate district ~~each fiscal year for~~
3 ~~1997-98 and~~ for 1998-99 an amount equal to ~~102.9% of the sum~~
4 ~~of~~ the amount of funding actually received by the intermediate
5 district under this subsection in ~~1996-97 and the amount of~~
6 ~~funding actually received by the intermediate district under~~
7 ~~former section 11b as in effect for 1995-96~~ 1997-98. Except as
8 otherwise provided in this section, there shall be allocated to
9 each intermediate district for 1999-2000 an amount equal to
10 ~~103.5%~~ 104.2% of the amount of funding actually received by the
11 ~~interme-~~ diate district under this subsection for 1998-99. EXCEPT AS OTH-
12 ERWISE PROVIDED IN THIS SECTION, THERE SHALL BE ALLOCATED TO EACH
13 INTERMEDIATE DISTRICT FOR 2000-2001 AN AMOUNT EQUAL TO 102.9% OF
14 THE AMOUNT OF FUNDING ACTUALLY RECEIVED BY THE INTERMEDIATE DIS-
15 TRICT UNDER THIS SUBSECTION FOR 1999-2000. Funding provided under
16 this section shall be used to comply with requirements of this
17 act and the revised school code that are applicable to intermedi-
18 ate districts, and for which funding is not provided elsewhere in
19 this act, and to provide technical assistance to districts as
20 authorized by the intermediate school board.

21 (2) From the allocation in subsection (1), there is allo-
22 cated to an intermediate district, formed by the consolidation or
23 annexation of 2 or more intermediate districts or the attachment
24 of a total intermediate district to another intermediate school
25 district or the annexation of all of the constituent K-12 dis-
26 tricts of a previously existing intermediate school district
27 which has disorganized, an additional allotment of \$3,500.00 each

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1 fiscal year for each intermediate district included in the new
2 intermediate district for 3 years following consolidation, annex-
3 ation, or attachment.

4 (3) If an intermediate district participated in 1993-94 in a
5 consortium operating a regional educational media center under
6 section 671 of the revised school code, MCL 380.671, and rules
7 promulgated by the ~~state board~~ SUPERINTENDENT, and if the
8 intermediate district obtains written consent from each of the
9 other intermediate districts that participated in the consortium
10 in 1993-94, the intermediate district may notify the department
11 not later than December 30 ~~, 1998~~ OF THE CURRENT FISCAL YEAR
12 that it is electing to directly receive its payment attributable
13 to participation in that consortium. An intermediate district
14 making that election, and that has obtained the necessary con-
15 sent, shall receive each fiscal year for ~~1997-98,~~ for 1998-99,
16 ~~and~~ for 1999-2000, AND FOR 2000-2001, AS APPLICABLE, for each
17 pupil in membership in the intermediate district or a constituent
18 district an amount equal to the quotient of the 1993-94 alloca-
19 tion to the fiscal agent for that consortium under former section
20 83, adjusted as determined by the department to account for that
21 election, divided by the combined total membership for the cur-
22 rent fiscal year in all of the intermediate districts that par-
23 ticipated in that consortium and their constituent districts.
24 The amount allocated to an intermediate district under this sub-
25 section for a fiscal year shall be deducted from the total allo-
26 cation for that fiscal year under this section to the

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1 intermediate district that was the 1993-94 fiscal agent for the
2 consortium.

3 (4) During a fiscal year, the department shall not increase
4 an intermediate district's allocation under subsection (1)
5 because of an adjustment made by the department during the fiscal
6 year in the intermediate district's taxable value for a prior
7 year. Instead, the department shall report the adjustment and
8 the estimated amount of the increase to the house and senate
9 fiscal agencies AND THE STATE BUDGET DIRECTOR not later than
10 June 1 of the fiscal year, and the legislature shall appropriate
11 money for the adjustment in the next succeeding fiscal year.

12 Accordingly, from the ~~allocation in subsection (1)~~

13 APPROPRIATION IN SECTION 11, there is allocated for 1998-99 only
14 an amount not to exceed \$62,000.00 for payments to intermediate
15 districts for adjustments in taxable value described in this
16 subsection.

17 (5) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED
18 AN AMOUNT NOT TO EXCEED \$300,000.00 EACH FISCAL YEAR FOR 1998-99
19 AND 1999-2000 AND AN AMOUNT NOT TO EXCEED \$500,000.00 FOR
20 2000-2001 FOR PAYMENTS TO INTERMEDIATE DISTRICTS UNDER THIS SUB-
21 SECTION FOR REIMBURSEMENT FOR CHANGES AS A RESULT OF REVISIONS TO
22 THE PERSONAL PROPERTY TAX DEPRECIATION TABLES. TO RECEIVE A PAY-
23 MENT UNDER THIS SUBSECTION, AN INTERMEDIATE DISTRICT SHALL FILE A
24 CLAIM BY JULY 1 OF THE FISCAL YEAR TO THE DEPARTMENT, DETAILING
25 THE LOSS OF REVENUE TO THE INTERMEDIATE DISTRICT'S OPERATIONAL
26 MILLAGE ATTRIBUTABLE TO THOSE REVISIONS. THE AMOUNT OF THE
27 PAYMENT UNDER THIS SUBSECTION TO EACH INTERMEDIATE DISTRICT SHALL

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1 BE AN AMOUNT EQUAL TO THE SAME PROPORTION OF THE TOTAL AMOUNT OF
2 FUNDING AVAILABLE UNDER THIS SUBSECTION AS THE INTERMEDIATE
3 DISTRICT'S CLAIM UNDER THIS SUBSECTION BEARS TO THE TOTAL AMOUNT
4 OF THE CLAIMS UNDER THIS SUBSECTION.

5 (6) ~~(5)~~ In order to receive funding under this section, an
6 intermediate district shall demonstrate to the satisfaction of
7 the department that the intermediate district employs at least 1
8 person who is trained in pupil counting procedures, rules, and
9 regulations.

10 Sec. 91b. If a district allows a nonresident pupil
11 ~~described in section 6(4)(k)~~ to enroll in the district, the
12 district shall continue to allow that pupil to enroll in the dis-
13 trict until the pupil graduates from high school.

14 Sec. 94. From the general fund money appropriated in sec-
15 tion 11, there is allocated to the department ~~for 1997-98,~~ for
16 1998-99, ~~and~~ for 1999-2000, AND FOR 2000-2001 an amount not to
17 exceed \$1,500,000.00 each fiscal year to provide technical
18 assistance to districts for school accreditation purposes as
19 described in section 1280 of the revised school code,
20 MCL 380.1280.

21 Sec. 99. (1) From the state school aid fund appropriation
22 in section 11, there is allocated an amount not to exceed
23 \$7,293,100.00 ~~each fiscal year for 1997-98,~~ for 1998-99, and AN
24 AMOUNT NOT TO EXCEED ~~\$8,304,900.00~~ \$7,904,900.00 EACH FISCAL YEAR
25 for 1999-2000 AND 2000-2001, and from the general fund appropriation in
26 section 11 there is allocated an amount not to exceed \$400,000.00
27 each fiscal year ~~for 1997-98,~~ for 1998-99, ~~and~~ for 1999-2000,

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1 AND FOR 2000-2001 for implementing the comprehensive master plan
2 for mathematics and science centers developed by the department
3 and approved by the state board on February 17, 1993.

4 (2) Within a service area designated locally, approved by
5 the department, and consistent with the master plan described in
6 subsection (1), an established mathematics and science center
7 shall address 2 or more of the following 6 basic services, as
8 described in the master plan, to constituent districts and
9 communities: leadership, pupil services, curriculum support,
10 community involvement, professional development, and resource
11 clearinghouse services.

12 (3) The department shall not award a grant under this sec-
13 tion to more than 1 mathematics and science center located in a
14 particular intermediate district unless each of the grants serves
15 a distinct target population or provides a service that does not
16 duplicate another program in the intermediate district.

17 (4) As part of the technical assistance process, the depart-
18 ment shall provide minimum standard guidelines that may be used
19 by the mathematics and science center for providing fair access
20 for qualified pupils and professional staff as prescribed in this
21 section.

22 (5) Allocations under this section to support the activities
23 and programs of mathematics and science centers shall be continu-
24 ing support grants to all 25 established mathematics and science
25 centers and the 8 satellite extensions that were funded in
26 1996-97. Each established mathematics and science center that

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1 was funded in 1996-97 shall receive an amount equal to 103% of
2 the amount it received under this section in 1996-97.

3 (6) In order to receive funds under this section, a grant
4 recipient shall allow access for the department or the
5 department's designee to audit all records related to the program
6 for which it receives such funds. The grant recipient shall
7 reimburse the state for all disallowances found in the audit.

8 (7) FROM THE STATE SCHOOL AID FUND ALLOCATION UNDER SUBSEC-
9 TION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$611,800.00
10 EACH FISCAL YEAR FOR 1999-2000 AND 2000-2001 FOR ADDITIONAL FUND-
11 ING UNDER THIS SUBSECTION FOR MATHEMATICS AND SCIENCE CENTERS
12 THAT HAVE COME INTO COMPLIANCE WITH THE COMPREHENSIVE MASTER PLAN
13 DESCRIBED IN SUBSECTION (1). THESE AMOUNTS ARE IN ADDITION TO
14 THE FUNDING DETERMINED UNDER SUBSECTION (5) AND ARE AS FOLLOWS
15 FOR EACH FISCAL YEAR FOR 1999-2000 AND 2000-2001:

16 (A) \$68,000.00 EACH TO THE CENTRAL MICHIGAN SCIENCE, MATHE-
17 MATICS, AND TECHNOLOGY CENTER; THE HILLSDALE-LENAWEE-MONROE MATH-
18 EMATICS AND SCIENCE CENTER; THE ST. CLAIR MATHEMATICS, SCIENCE
19 AND TECHNOLOGY NETWORK; THE SAGINAW VALLEY STATE UNIVERSITY
20 REGIONAL CENTER; THE GENESEE AREA MATHEMATICS, SCIENCE, AND TECH-
21 NOLOGY CENTER; THE GRAND TRAVERSE AREA REGIONAL MATHEMATICS,
22 SCIENCE, AND TECHNOLOGY CENTER; AND THE LIVINGSTON/WASHTENAW
23 MATHEMATICS AND SCIENCE CENTER.

24 (B) \$85,000.00 TO THE GRAND VALLEY STATE UNIVERSITY REGIONAL
25 MATHEMATICS AND SCIENCE CENTER.

26 (C) \$50,800.00 TO THE SEABORG CENTER AT NORTHERN MICHIGAN
27 UNIVERSITY.

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1 (8) NOT LATER THAN JUNE 30, 2000, THE DEPARTMENT SHALL
2 REEVALUATE AND UPDATE THE COMPREHENSIVE MASTER PLAN DESCRIBED IN
3 SUBSECTION (1), INCLUDING ANY RECOMMENDATIONS FOR UPGRADING SAT-
4 ELLITE EXTENSIONS TO FULL CENTERS.

5 Sec. 101. (1) To be eligible to receive state aid under
6 this act, not later than the fifth Wednesday after the pupil mem-
7 bership count day and not later than the fifth Wednesday after
8 the supplemental count day, each district superintendent through
9 the secretary of the district's board shall file with the inter-
10 mediate superintendent a certified and sworn copy of the number
11 of pupils enrolled and in regular daily attendance in the dis-
12 trict as of the pupil membership count day and as of the supple-
13 mental count day, as applicable, for the current school year. In
14 addition, a district maintaining school during the entire year,
15 as provided under section 1561 of the revised school code, MCL
16 380.1561, shall file with the intermediate superintendent a cer-
17 tified and sworn copy of the number of pupils enrolled and in
18 regular daily attendance in the district for the current school
19 year pursuant to rules promulgated by the ~~state board~~
20 SUPERINTENDENT. Not later than the seventh Wednesday after the
21 pupil membership count day and not later than the seventh
22 Wednesday after the supplemental count day, the intermediate dis-
23 trict shall transmit to the department the data filed by each of
24 its constituent districts. If a district fails to file the sworn
25 and certified copy with the intermediate superintendent in a
26 timely manner, as required under this subsection, the
27 intermediate district shall notify the department and state aid

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1 due to be distributed under this act shall be withheld from the
2 defaulting district immediately, beginning with the next payment
3 after the failure and continuing with each payment until the dis-
4 trict complies with this subsection. If an intermediate district
5 fails to transmit the data in its possession in a timely and
6 accurate manner to the department, as required under this subsec-
7 tion, state aid due to be distributed under this act shall be
8 withheld from the defaulting intermediate district immediately,
9 beginning with the next payment after the failure and continuing
10 with each payment until the intermediate district complies with
11 this subsection. If a district or intermediate district does not
12 comply with this subsection by the end of the fiscal year, the
13 district or intermediate district forfeits the amount withheld.
14 A person who willfully falsifies a figure or statement in the
15 certified and sworn copy of enrollment shall be punished in the
16 manner prescribed by section 161.

17 (2) To be eligible to receive state aid under this act, not
18 later than the twenty-fourth Wednesday after the pupil membership
19 count day and not later than the twenty-fourth Wednesday after
20 the supplemental count day, an intermediate district shall submit
21 to the department, in a form and manner prescribed by the depart-
22 ment, the audited enrollment and attendance data for the pupils
23 of its constituent districts and of the intermediate district.
24 If an intermediate district fails to transmit the audited data as
25 required under this subsection, state aid due to be distributed
26 under this act shall be withheld from the defaulting intermediate
27 district immediately, beginning with the next payment after the

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1 failure and continuing with each payment until the intermediate
2 district complies with this subsection. If an intermediate dis-
3 trict does not comply with this subsection by the end of the
4 fiscal year, the intermediate district forfeits the amount
5 withheld.

6 (3) Each district shall provide AT LEAST 180 DAYS OF PUPIL
7 INSTRUCTION AND the required minimum number of ~~days and~~ hours
8 of pupil instruction under section 1284 of the revised school
9 code, MCL 380.1284. Except as otherwise provided in this act, a
10 district failing to hold ~~the required minimum number of~~ 180
11 days of pupil instruction shall forfeit from its total state aid
12 allocation for each day of failure an amount ~~determined by~~
13 ~~applying a ratio of the number of days the district was in non-~~
14 ~~compliance in relation to the required minimum number of days~~
15 EQUAL TO 1/180 OF ITS TOTAL STATE AID ALLOCATION. Except as oth-
16 erwise provided in this act, a district failing to comply with
17 the required minimum hours of pupil instruction shall forfeit
18 from its total state aid allocation an amount determined by
19 applying a ratio of the ~~time duration~~ NUMBER OF HOURS the dis-
20 trict was in noncompliance in relation to the required minimum
21 number of hours. A district failing to meet both the ~~minimum~~
22 ~~number of~~ 180 days of pupil instruction requirement and the min-
23 imum number of hours of pupil instruction requirement shall be
24 penalized only the higher of the 2 amounts calculated under the
25 forfeiture provisions of this subsection. Not later than August
26 1, the board of each district shall certify to the department the
27 number of days and hours of pupil instruction in the previous

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1 school year. If the district did not hold at least 180 days and
2 the required minimum number of hours of pupil instruction, the
3 deduction of state aid shall be made in the following fiscal year
4 from the first payment of state school aid. A district is not
5 subject to forfeiture of funds under this subsection for a fiscal
6 year in which a forfeiture was already imposed under subsection
7 (7). Days OR HOURS lost because of strikes or teachers' confer-
8 ences shall not be counted as days OR HOURS of pupil
9 instruction. A district not having at least 75% of the
10 district's membership in attendance on any day of pupil instruc-
11 tion shall receive state aid in that proportion of ~~1 divided by~~
12 ~~the required minimum number of days of pupil instruction~~ 1/180
13 that the actual percent of attendance bears to the specified
14 percentage. The ~~state board~~ SUPERINTENDENT shall promulgate
15 rules for the implementation of this subsection.

16 (4) The first 2 days for which pupil instruction is not pro-
17 vided because of conditions not within the control of school
18 authorities, such as severe storms, fires, epidemics, or health
19 conditions as defined by the city, county, or state health
20 authorities, shall be counted as days of pupil instruction. IN
21 ADDITION, FOR 1998-99 ONLY, THE DEPARTMENT SHALL COUNT AS DAYS OF
22 PUPIL INSTRUCTION NOT MORE THAN 2 ADDITIONAL DAYS, AND SHALL COUNT
23 AS HOURS OF PUPIL INSTRUCTION NOT MORE THAN 16.5 HOURS, FOR WHICH
24 PUPIL INSTRUCTION WAS NOT PROVIDED IN A DISTRICT AFTER JUNE 7, 1999
25 DUE TO WATER DAMAGE RESULTING FROM A WATER MAIN BREAK. ~~In~~
26 addition, for 1997-98 only, the department may count as days of
27 pupil instruction up to 6 additional days for which pupil
instruction is not provided in a district after May 28, 1998
because damage or electrical outages resulting from severe storms
prevented the district from providing instruction and up to 2
additional days for which pupil instruction is not provided in a
district after June 3, 1998 because a bomb threat prevented the

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1 ~~district from providing instruction.~~ Subsequent such days shall
2 not be counted as days of pupil instruction.

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

9 (6) Upon application by the district for a particular fiscal
10 year, the ~~state board~~ SUPERINTENDENT may waive the minimum
11 number of days of pupil instruction requirement of subsection (3)
12 for a district if the district has adopted an experimental school
13 year schedule in 1 or more buildings in the district if the
14 experimental school year schedule provides the required minimum
15 number ~~or more~~ OF hours of pupil instruction OR MORE and is
16 consistent with all state board policies on school improvement
17 and restructuring. If a district applies for and receives a
18 waiver under this subsection and complies with the terms of the
19 waiver, for the fiscal year covered by the waiver the district is
20 not subject to forfeiture under this section of part of its state
21 aid allocation for the specific building or program covered by
22 the waiver.

23 (7) Not later than April 15 of each fiscal year, the board
24 of each district shall certify to the department the planned
25 number of days and hours of pupil instruction in the district for
26 the school year ending in the fiscal year. In addition to any
27 other penalty or forfeiture under this section, if at any time

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1 the department determines that 1 or more of the following has
2 occurred in a district, the district shall forfeit in the current
3 fiscal year beginning in the next payment to be calculated by the
4 department a proportion of the funds due to the district under
5 this act that is equal to the proportion below 180 DAYS AND the
6 required minimum number of ~~days and~~ hours of pupil instruction,
7 as specified in the following:

8 (a) The district fails to operate its schools for at least
9 180 DAYS AND the required minimum number of ~~days and~~ hours of
10 pupil instruction in a school year, including days counted under
11 subsection (4).

12 (b) The board of the district takes formal action not to
13 operate its schools for at least 180 DAYS AND the required mini-
14 mum number of ~~days and~~ hours of pupil instruction in a school
15 year, including days counted under subsection (4).

16 (8) In providing the minimum number of hours of pupil
17 instruction required under section 1284 of the revised school
18 code, MCL 380.1284, a district shall use the following guide-
19 lines, and a district shall maintain records to substantiate its
20 compliance with the following guidelines:

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

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

4 (c) A pupil in grades 9 to 12 for whom a reduced schedule is
5 determined to be in the individual pupil's best educational
6 interest must be scheduled for a number of hours equal to at
7 least 80% of the required minimum number of hours of pupil
8 instruction to be considered a full-time equivalent pupil.

9 (d) If a pupil in grades 9 to 12 who is enrolled in a coop-
10 erative education program or a special education pupil cannot
11 receive the required minimum number of hours of pupil instruction
12 solely because of travel time between instructional sites during
13 the school day, that travel time, up to a maximum of 2-1/2 hours
14 per school week, shall be considered to be pupil instruction time
15 for the purpose of determining whether the pupil is receiving the
16 required minimum number of hours of pupil instruction. However,
17 if a district demonstrates to the satisfaction of the department
18 that the travel time limitation under this subdivision would
19 create undue costs or hardship to the district, the department
20 may consider more travel time to be pupil instruction time for
21 this purpose.

22 ~~(e) For the 1997-98 school year only, if a district oper-~~
23 ~~ates an elementary school that is located on an island and pro-~~
24 ~~vides some pupil instruction for pupils enrolled in that elemen-~~
25 ~~tary school at 1 or more school buildings operated by the dis-~~
26 ~~trict that are not located on the island, the travel time for~~
27 ~~travel for those pupils between the elementary school located on~~

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1 ~~the island and the other school building or buildings, up to a~~
2 ~~maximum of 1-1/2 hours per school week, shall be considered to be~~
3 ~~pupil instruction time for those pupils for the purpose of deter-~~
4 ~~mining whether those pupils are receiving the required minimum~~
5 ~~number of hours of pupil instruction.~~

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

13 (10) Upon application by the district for a particu-
14 lar fiscal year, the ~~state board~~ SUPERINTENDENT may waive for a
15 district the 180 DAYS OR minimum number of ~~days and~~ hours of
16 pupil instruction requirement of subsection (3) for a
17 department-approved alternative education program. If a district
18 applies for and receives a waiver under this subsection and com-
19 plies with the terms of the waiver, for the fiscal year covered
20 by the waiver the district is not subject to forfeiture under
21 this section for the specific program covered by the waiver.

22 Sec. 104a. (1) In order to receive state aid under this
23 act, a district shall comply with this section and shall adminis-
24 ter state assessments to high school pupils in the subject areas
25 of communications skills, mathematics, science, and, beginning
26 with pupils scheduled to graduate in 2000, social studies. The

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1 district shall include on the pupil's high school transcript all
2 of the following:

3 (a) For each high school graduate who has completed a
4 subject area assessment under this section, the pupil's scaled
5 score on the assessment.

6 (b) If the pupil's scaled score on a subject area assessment
7 falls within the range required under subsection (2) for a cate-
8 gory established under subsection (2), an indication that the
9 pupil has achieved state endorsement for that subject area.

10 (c) The number of school days the pupil was in attendance at
11 school each school year during high school and the total number
12 of school days in session for each of those school years.

13 (2) The department shall develop scaled scores for reporting
14 subject area assessment results for each of the subject areas
15 under this section. ~~Subject to approval by the state board, the~~
16 ~~superintendent of public instruction~~ THE SUPERINTENDENT shall
17 establish 3 categories for each subject area indicating basic
18 competency, above average, and outstanding, and shall establish
19 the scaled score range required for each category. The depart-
20 ment shall design and distribute to districts, intermediate dis-
21 tricts, and nonpublic schools a simple and concise document that
22 describes these categories in each subject area and indicates the
23 scaled score ranges for each category in each subject area. A
24 district may award a high school diploma to a pupil who success-
25 fully completes local district requirements established in
26 accordance with state law for high school graduation, regardless
27 of whether the pupil is eligible for any state endorsement.

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1 (3) The assessments administered for the purposes of this
2 section shall be administered to pupils during the last 30 school
3 days of grade 11. The department shall ensure that the assess-
4 ments are scored and the scores are returned to pupils, their
5 parents or legal guardians, and districts not later than the
6 beginning of the pupil's first semester of grade 12. Not later
7 than fall 1999, the department shall arrange for those portions
8 of a pupil's assessment that cannot be scored mechanically to be
9 scored in Michigan by persons who are Michigan teachers, retired
10 Michigan teachers, or Michigan school administrators and who have
11 been trained in scoring the assessments. The returned scores
12 shall indicate the pupil's scaled score for each subject area
13 assessment, the range of scaled scores for each subject area, and
14 the range of scaled scores required for each category established
15 under subsection (2). In reporting the scores to pupils, par-
16 ents, and schools, the department shall provide specific, mean-
17 ingful, and timely feedback on the pupil's performance on the
18 assessment.

19 (4) For each pupil who does not achieve state endorsement in
20 1 or more subject areas, the board of the district in which the
21 pupil is enrolled shall provide that there be at least 1 meeting
22 attended by at least the pupil and a member of the district's
23 staff or a local or intermediate district consultant who is pro-
24 ficient in the measurement and evaluation of pupils. The dis-
25 trict may provide the meeting as a group meeting for pupils in
26 similar circumstances. If the pupil is a minor, the district
27 shall invite and encourage the pupil's parent, legal guardian, or

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1 person in loco parentis to attend the meeting and shall mail a
2 notice of the meeting to the pupil's parent, legal guardian, or
3 person in loco parentis. The purpose of this meeting and any
4 subsequent meeting under this subsection shall be to determine an
5 educational program for the pupil designed to have the pupil
6 achieve state endorsement in each subject area in which he or she
7 did not achieve state endorsement. In addition, a district may
8 provide for subsequent meetings with the pupil conducted by a
9 high school counselor or teacher designated by the pupil's high
10 school principal, and shall invite and encourage the pupil's
11 parent, legal guardian, or person in loco parentis to attend the
12 subsequent meetings. The district shall provide special programs
13 for the pupil or develop a program using the educational programs
14 regularly provided by the district unless the board of the dis-
15 trict decides otherwise and publishes and explains its decision
16 in a public justification report.

17 (5) A pupil who wants to repeat an assessment administered
18 under this section may repeat the assessment, without charge to
19 the pupil, in the next school year or after graduation. An indi-
20 vidual may repeat an assessment at any time the district adminis-
21 ters an applicable assessment instrument or during a retesting
22 period under subsection (7).

23 (6) The department shall ensure that the length of the
24 assessments used for the purposes of this section and the com-
25 bined total time necessary to administer all of the assessments,
26 including social studies, are the shortest possible that will
27 still maintain the degree of reliability and validity of the

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1 assessment results determined necessary by the department. The
2 department shall ensure that the maximum total combined length of
3 time that schools are required to set aside for administration of
4 all of the assessments used for the purposes of this section,
5 including social studies, does not exceed 8 hours. However, this
6 subsection does not limit the amount of time that individuals may
7 have to complete the assessments.

8 (7) The department shall establish, schedule, and arrange
9 periodic retesting periods throughout the year for individuals
10 who desire to repeat an assessment under this section. The
11 department shall coordinate the arrangements for administering
12 the repeat assessments and shall ensure that the retesting is
13 made available at least within each intermediate district and, to
14 the extent possible, within each district.

15 (8) A district shall provide accommodations to a pupil with
16 disabilities for the assessments required under this section, as
17 provided under section 504 of title V of the rehabilitation act
18 of 1973, Public Law 93-112, 29 U.S.C. 794; subtitle A of title II
19 of the Americans with disabilities act of 1990, Public Law
20 101-336, 42 U.S.C. 12131 to 12134; and the implementing regula-
21 tions for those statutes.

22 (9) For the purposes of this section, the ~~state board~~
23 SUPERINTENDENT shall develop or select and approve assessment
24 instruments to measure pupil performance in communications
25 skills, mathematics, social studies, and science. The assessment
26 instruments shall be based on the ~~state board~~ model core

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1 academic content standards objectives UNDER SECTION 1278 OF THE
2 REVISED SCHOOL CODE, MCL 380.1278.

3 (10) Upon written request by the pupil's parent or legal
4 guardian stating that the request is being made for the purpose
5 of providing the pupil with an opportunity to qualify to take 1
6 or more postsecondary courses as an eligible student under the
7 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
8 388.524, the board of a district shall allow a pupil who is in at
9 least grade 10 to take an assessment administered under this sec-
10 tion without charge at any time the district regularly adminis-
11 ters the assessment or during a retesting period established
12 under subsection (7). A district is not required to include in
13 an annual education report, or in any other report submitted to
14 the department for accreditation purposes, results of assessments
15 taken under this subsection by a pupil in grade 11 or lower until
16 the results of that pupil's graduating class are otherwise
17 reported.

18 (11) All assessment instruments developed or selected and
19 approved by the state under any statute or rule for a purpose
20 related to K to 12 education shall be objective-oriented and con-
21 sistent with the ~~state board~~ model core academic content stan-
22 dards objectives UNDER SECTION 1278 OF THE REVISED SCHOOL CODE,
23 MCL 380.1278.

24 (12) A person who has graduated from high school after 1996
25 and who has not previously taken an assessment under this section
26 may take an assessment used for the purposes of this section,
27 without charge to the person, at the district from which he or

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1 she graduated from high school at any time that district
2 administers the assessment or during a retesting period scheduled
3 under subsection (7) and have his or her scaled score on the
4 assessment included on his or her high school transcript. If the
5 person's scaled score on a subject area assessment falls within
6 the range required under subsection (2) for a category estab-
7 lished under subsection (2), the district shall also indicate on
8 the person's high school transcript that the person has achieved
9 state endorsement for that subject area.

10 (13) Not later than July 1 of each year until 2000, the
11 department shall submit a comprehensive report to the legislature
12 AND THE STATE BUDGET DIRECTOR on the status of the assessment
13 program under this section. The report shall include at least
14 all of the following:

15 (a) The annual pupil assessment data.

16 (b) A description of the feedback provided to pupils, par-
17 ents, and schools.

18 (c) A description of any significant alterations made in the
19 program ~~by the department or state board~~ during the period cov-
20 ered by the report.

21 (d) Any recommendations ~~by the department or state board~~
22 for legislative changes to the program.

23 (e) An update of the reports of the assessment advisory com-
24 mittees of the state board.

25 ~~-(14) Pupils scheduled to graduate in 1998 who took the~~
26 ~~assessments used for the purposes of this section during the~~
27 ~~1996-97 school year may repeat 1 or more of the assessments~~

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1 ~~during the 1997-98 school year. The department, in cooperation~~
2 ~~with districts, shall make arrangements for repeat assessments to~~
3 ~~be available for these pupils in each district that operates a~~
4 ~~high school during the 1997-98 school year in time for these~~
5 ~~pupils to repeat the assessments before graduation. The repeat~~
6 ~~assessments may be administered at times other than regular~~
7 ~~school hours.~~

8 (14) ~~-(15)-~~ A child who is a student in a nonpublic school
9 or home school may take an assessment under this section. To
10 take an assessment, a child who is a student in a home school
11 shall contact the district in which the child resides, and that
12 district shall administer the assessment, or the child may take
13 the assessment at a nonpublic school if allowed by the nonpublic
14 school. Upon request from a nonpublic school, the department
15 shall supply assessments and the nonpublic school may administer
16 the assessment.

17 (15) ~~-(16)-~~ The purpose of the assessment under this section
18 is to assess pupil performance in mathematics, science, social
19 studies, and communication arts for the purpose of improving aca-
20 demic achievement and establishing a statewide standard of
21 competency. The assessment under this section provides a common
22 measure of data that will contribute to the improvement of
23 Michigan schools' curriculum and instruction by encouraging
24 alignment with Michigan's curriculum framework standards. These
25 standards are based upon the expectations of what pupils should
26 know and be able to do by the end of grade 11.

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1 (16) ~~(17)~~ As used in this section:

2 (a) "Communications skills" means reading and writing.

3 (b) "Social studies" means geography, history, economics,
4 and American government.

5 Sec. 105. (1) In order to avoid a penalty under this sec-
6 tion, and in order to count a nonresident pupil residing within
7 the same intermediate district in membership without the approval
8 of the pupil's district of residence, a district shall comply
9 with this section.

10 (2) Except as otherwise provided in ~~subsection (3)~~ THIS
11 SECTION, a district shall determine ~~by June 1~~ whether or not it
12 will accept applications for enrollment by nonresident applicants
13 residing within the same intermediate district for the next
14 school year. If the district determines to accept applications
15 for enrollment of a number of nonresidents, beyond those entitled
16 to preference under this section, the district shall ~~do all of~~
17 ~~the following~~ USE THE FOLLOWING PROCEDURES FOR ACCEPTING APPLI-
18 CATIONS FROM AND ENROLLING NONRESIDENTS:

19 (a) ~~By June 15,~~ THE DISTRICT SHALL publish the grades,
20 schools, and special programs, if any, for which enrollment may
21 be available to, and for which applications will be accepted
22 from, nonresident applicants residing within the same intermedi-
23 ate district.

24 (b) ~~At least until July 1,~~ IF THE DISTRICT HAS A LIMITED
25 NUMBER OF POSITIONS AVAILABLE FOR NONRESIDENTS RESIDING WITHIN
26 THE SAME INTERMEDIATE DISTRICT IN A GRADE, SCHOOL, OR PROGRAM,

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1 ALL OF THE FOLLOWING APPLY TO ACCEPTING APPLICATIONS FOR AND
2 ENROLLMENT OF NONRESIDENTS IN THAT GRADE, SCHOOL, OR PROGRAM:

3 (i) THE DISTRICT SHALL DO ALL OF THE FOLLOWING NOT LATER
4 THAN THE SECOND FRIDAY IN AUGUST:

5 (A) PROVIDE NOTICE TO THE GENERAL PUBLIC THAT APPLICATIONS
6 WILL BE TAKEN FOR A 15-DAY PERIOD FROM NONRESIDENTS RESIDING
7 WITHIN THE SAME INTERMEDIATE DISTRICT FOR ENROLLMENT IN THAT
8 GRADE, SCHOOL, OR PROGRAM. THE NOTICE SHALL IDENTIFY THE 15-DAY
9 PERIOD AND THE PLACE AND MANNER FOR SUBMITTING APPLICATIONS.

10 (B) DURING THE APPLICATION PERIOD UNDER
11 SUB-SUBPARAGRAPH (A), accept applications from nonresidents
12 residing within the same intermediate district for enrollment in
13 ~~the available grades, schools, and programs~~ THAT GRADE, SCHOOL,
14 OR PROGRAM.

15 (C) ~~(c) By July 15~~ WITHIN 15 DAYS AFTER THE END OF THE
16 APPLICATION PERIOD UNDER SUB-SUBPARAGRAPH (A), using the proce-
17 dures and preferences required under this section, determine
18 which nonresident applicants will be allowed to enroll in ~~the~~
19 ~~district~~ THAT GRADE, SCHOOL, OR PROGRAM, USING THE RANDOM DRAW
20 SYSTEM REQUIRED UNDER SUBSECTION (12) AS NECESSARY, and notify
21 the parent or legal guardian of each nonresident applicant of
22 whether or not the applicant may enroll in the district. The
23 notification to parents or legal guardians of nonresident appli-
24 cants accepted for enrollment shall contain notification of the
25 date by which the applicant must enroll in the district and pro-
26 cedures for enrollment.

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1 (ii) BEGINNING ON THE THIRD MONDAY IN AUGUST AND NOT LATER
2 THAN THE END OF THE FIRST WEEK OF SCHOOL, IF ANY POSITIONS BECOME
3 AVAILABLE IN A GRADE, SCHOOL, OR PROGRAM DUE TO ACCEPTED APPLI-
4 CANTS FAILING TO ENROLL OR TO MORE POSITIONS BEING ADDED, THE
5 DISTRICT MAY ENROLL NONRESIDENT APPLICANTS FROM THE WAITING LIST
6 MAINTAINED UNDER SUBSECTION (12), OFFERING ENROLLMENT IN THE
7 ORDER THAT APPLICANTS APPEAR ON THE WAITING LIST. IF THERE ARE
8 STILL POSITIONS AVAILABLE AFTER ENROLLING ALL APPLICANTS FROM THE
9 WAITING LIST WHO DESIRE TO ENROLL, THE DISTRICT MAY NOT FILL
10 THOSE POSITIONS UNTIL THE SECOND SEMESTER ENROLLMENT UNDER SUB-
11 SECTION (3), AS PROVIDED UNDER THAT SUBSECTION, OR UNTIL THE NEXT
12 SCHOOL YEAR.

13 (c) FOR A GRADE, SCHOOL, OR PROGRAM THAT HAS AN UNLIMITED
14 NUMBER OF POSITIONS AVAILABLE FOR NONRESIDENTS RESIDING WITHIN
15 THE SAME INTERMEDIATE DISTRICT, ALL OF THE FOLLOWING APPLY TO
16 ENROLLMENT OF NONRESIDENTS IN THAT GRADE, SCHOOL, OR PROGRAM:

17 (i) THE DISTRICT MAY ACCEPT APPLICATIONS FOR ENROLLMENT IN
18 THAT GRADE, SCHOOL, OR PROGRAM, AND MAY ENROLL NONRESIDENTS
19 RESIDING WITHIN THE SAME INTERMEDIATE DISTRICT IN THAT GRADE,
20 SCHOOL, OR PROGRAM, UNTIL THE END OF THE FIRST WEEK OF SCHOOL.
21 THE DISTRICT SHALL PROVIDE NOTICE TO THE GENERAL PUBLIC OF THE
22 PLACE AND MANNER FOR SUBMITTING APPLICATIONS AND, IF THE DISTRICT
23 HAS A LIMITED APPLICATION PERIOD, THE NOTICE SHALL INCLUDE THE
24 DATES OF THE APPLICATION PERIOD. THE APPLICATION PERIOD SHALL BE
25 AT LEAST A 15-DAY PERIOD.

26 (ii) NOT LATER THAN THE END OF THE FIRST WEEK OF SCHOOL, THE
27 DISTRICT SHALL NOTIFY THE PARENT OR LEGAL GUARDIAN OF EACH

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1 NONRESIDENT APPLICANT WHO IS ACCEPTED FOR ENROLLMENT THAT THE
2 APPLICANT HAS BEEN ACCEPTED FOR ENROLLMENT IN THE GRADE, SCHOOL,
3 OR PROGRAM AND OF THE DATE BY WHICH THE APPLICANT MUST ENROLL IN
4 THE DISTRICT AND THE PROCEDURES FOR ENROLLMENT.

5 (3) IF A DISTRICT DETERMINES DURING THE FIRST SEMESTER OF A
6 SCHOOL YEAR THAT IT HAS POSITIONS AVAILABLE FOR ENROLLMENT OF A
7 NUMBER OF NONRESIDENTS RESIDING WITHIN THE SAME INTERMEDIATE DIS-
8 TRICT, BEYOND THOSE ENTITLED TO PREFERENCE UNDER THIS SECTION,
9 FOR THE SECOND SEMESTER OF THE SCHOOL YEAR, THE DISTRICT MAY
10 ACCEPT APPLICATIONS FROM AND ENROLL NONRESIDENTS RESIDING WITHIN
11 THE SAME INTERMEDIATE DISTRICT FOR THE SECOND SEMESTER USING THE
12 FOLLOWING PROCEDURES:

13 (A) NOT LATER THAN 2 WEEKS BEFORE THE END OF THE FIRST
14 SEMESTER, THE DISTRICT SHALL PUBLISH THE GRADES, SCHOOLS, AND
15 SPECIAL PROGRAMS, IF ANY, FOR WHICH ENROLLMENT FOR THE SECOND
16 SEMESTER MAY BE AVAILABLE TO, AND FOR WHICH APPLICATIONS WILL BE
17 ACCEPTED FROM, NONRESIDENT APPLICANTS RESIDING WITHIN THE SAME
18 INTERMEDIATE DISTRICT.

19 (B) DURING THE LAST 2 WEEKS OF THE FIRST SEMESTER, THE DIS-
20 TRICT SHALL ACCEPT APPLICATIONS FROM NONRESIDENTS RESIDING WITHIN
21 THE SAME INTERMEDIATE DISTRICT FOR ENROLLMENT FOR THE SECOND
22 SEMESTER IN THE AVAILABLE GRADES, SCHOOLS, AND PROGRAMS.

23 (C) BY THE BEGINNING OF THE SECOND SEMESTER, USING THE PRO-
24 CEDURES AND PREFERENCES REQUIRED UNDER THIS SECTION, THE DISTRICT
25 SHALL DETERMINE WHICH NONRESIDENT APPLICANTS WILL BE ALLOWED TO
26 ENROLL IN THE DISTRICT FOR THE SECOND SEMESTER AND NOTIFY THE
27 PARENT OR LEGAL GUARDIAN OF EACH NONRESIDENT APPLICANT RESIDING

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1 WITHIN THE SAME INTERMEDIATE DISTRICT OF WHETHER OR NOT THE
2 APPLICANT MAY ENROLL IN THE DISTRICT. THE NOTIFICATION TO PAR-
3 ENTS OR LEGAL GUARDIANS OF NONRESIDENT APPLICANTS ACCEPTED FOR
4 ENROLLMENT SHALL CONTAIN NOTIFICATION OF THE DATE BY WHICH THE
5 APPLICANT MUST ENROLL IN THE DISTRICT AND PROCEDURES FOR
6 ENROLLMENT.

7 (4) ~~(3)~~ If deadlines similar to those described in subsec-
8 tion (2) OR (3) have been established in an intermediate
9 district, ~~pursuant to a pilot intermediate district schools of~~
10 ~~choice program under former section 91,~~ and if those deadlines
11 are not later than the deadlines under subsection (2) OR (3), the
12 districts within the intermediate district may ~~continue to~~ use
13 those deadlines.

14 (5) ~~(4)~~ A district offering to enroll nonresident appli-
15 cants residing within the same intermediate district may limit
16 the number of nonresident pupils it accepts in a grade, school,
17 or program, at its discretion, and may use that limit as the
18 reason for refusal to enroll an applicant.

19 (6) ~~(5)~~ A nonresident applicant residing within the same
20 intermediate district shall not be granted or refused enrollment
21 based on intellectual, academic, artistic, or other ability,
22 talent, or accomplishment, or lack thereof, or based on a mental
23 or physical disability, except that a district may refuse to
24 admit a nonresident applicant if the applicant does not meet the
25 same criteria, other than residence, that an applicant who is a
26 resident of the district must meet to be accepted for enrollment

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1 in a grade or a specialized, magnet, or intra-district choice
2 school or program to which the applicant applies.

3 (7) ~~-(6)-~~ A nonresident applicant residing within the same
4 intermediate district shall not be granted or refused enrollment
5 based on age, except that a district may refuse to admit a non-
6 resident applicant applying for a program that is not appropriate
7 for the age of the applicant.

8 (8) ~~-(7)-~~ A nonresident applicant residing within the same
9 intermediate district shall not be granted or refused enrollment
10 based upon religion, race, color, national origin, sex, height,
11 weight, marital status, or athletic ability, or, generally, in
12 violation of any state or federal law prohibiting
13 discrimination.

14 (9) ~~-(8)-~~ A district may refuse to enroll a nonresident
15 applicant if the applicant is, or has been within the preceding 2
16 years, suspended from another school or if the applicant has ever
17 been expelled from another school.

18 (10) ~~-(9)-~~ A district shall give preference for enrollment
19 over all other nonresident applicants residing within the same
20 intermediate district to pupils who were enrolled in and attended
21 the district in the school year OR SEMESTER immediately preceding
22 the school year OR SEMESTER in question and to other school-age
23 children who reside in the same household as the pupil.

24 (11) ~~-(10)-~~ If a nonresident pupil was enrolled in and
25 attending school in a district as a nonresident pupil in the
26 1995-96 school year and continues to be enrolled continuously
27 each school year in that district, the district shall allow that

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1 nonresident pupil to continue to enroll in and attend school in
2 the district until high school graduation, without requiring the
3 nonresident pupil to apply for enrollment under this section.

4 This subsection does not prohibit a district from expelling a
5 pupil described in this subsection for disciplinary reasons.

6 (12) ~~-(11)-~~ If the number of qualified nonresident appli-
7 cants eligible for acceptance in a school, grade, or program does
8 not exceed the positions available for nonresident pupils in the
9 school, grade, or program, the school district shall accept for
10 enrollment all of the qualified nonresident applicants eligible
11 for acceptance. If the number of qualified nonresident appli-
12 cants residing within the same intermediate district eligible for
13 acceptance exceeds the positions available in a grade, school, or
14 program in a district for nonresident pupils, the district shall
15 use a random draw system, subject to the need to abide by state
16 and federal antidiscrimination laws and court orders and subject
17 to preferences allowed by this section. THE DISTRICT SHALL
18 DEVELOP AND MAINTAIN A WAITING LIST BASED ON THE ORDER IN WHICH
19 NONRESIDENT APPLICANTS WERE DRAWN UNDER THIS RANDOM DRAW SYSTEM.

20 (13) ~~-(12)-~~ If a district, or the nonresident applicant,
21 requests the district in which a nonresident applicant resides to
22 supply information needed by the district for evaluating the
23 applicant's application for enrollment or for enrolling the
24 applicant, the district of residence shall provide that informa-
25 tion on a timely basis.

26 (14) ~~-(13)-~~ If a district is subject to a court-ordered
27 desegregation plan, and if the court issues an order prohibiting

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1 pupils residing in that district from enrolling in another
2 district or prohibiting pupils residing in another district from
3 enrolling in that district, this section is subject to the court
4 order.

5 (15) ~~-(14)-~~ This section does not require a district to pro-
6 vide transportation for a nonresident pupil enrolled in the dis-
7 trict under this section or for a resident pupil enrolled in
8 another district under this section. However, at the time a non-
9 resident pupil enrolls in the district, a district shall provide
10 to the pupil's parent or legal guardian information on available
11 transportation to and from the school in which the pupil
12 enrolls.

13 (16) ~~-(15)-~~ If, in a particular state fiscal year, the total
14 number of pupils enrolled and counted in membership in a district
15 is less than 90% of the total number of pupils residing in the
16 district who are enrolled and counted in membership in either
17 that district or 1 or more other districts, the total amount of
18 money allocated to that district under section 20 shall be
19 adjusted so that the district receives a total allocation under
20 section 20 equal to the amount the district would receive under
21 section 20 if exactly 90% of the pupils residing in the district
22 who are enrolled and counted in either that district or 1 or more
23 other districts were enrolled and counted in membership in that
24 district.

25 (17) ~~-(16)-~~ A district may participate in a cooperative edu-
26 cation program with 1 or more other districts or intermediate

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1 districts whether or not the district enrolls any nonresidents
2 pursuant to this section.

3 (18) ~~(17)~~ A district that, pursuant to this section,
4 enrolls a nonresident pupil who is eligible for special education
5 programs and services according to statute or rule, or who is a
6 child with disabilities, as defined under the individuals with
7 disabilities education act, title VI of Public Law 91-230, shall
8 be considered to be the resident district of the pupil for the
9 purpose of providing the pupil with a free appropriate public
10 education. Consistent with state and federal law, that district
11 is responsible for developing and implementing an individualized
12 education plan annually for a nonresident pupil described in this
13 subsection.

14 (19) ~~(18)~~ If a district does not comply with this section,
15 the district forfeits ~~10% of the total amount due to the dis-~~
16 ~~trict under section 20c~~ 5% OF THE TOTAL STATE SCHOOL AID ALLOCA-
17 TION TO THE DISTRICT UNDER THIS ACT.

18 (20) ~~(19)~~ Upon application by a district, the superinten-
19 dent ~~of public instruction~~ may grant a waiver for the district
20 from a specific requirement under this section for not more than
21 1 year.

22 ~~(20) If an intermediate district is operating under an~~
23 ~~intermediate district pilot schools of choice program established~~
24 ~~under former section 91 or as described in section 91a, and if~~
25 ~~the superintendent of public instruction determines that the pro-~~
26 ~~gram is substantially similar to intermediate district schools of~~
27 ~~choice under this section, the superintendent of public~~

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1 ~~instruction may exempt the intermediate district and its~~
2 ~~constituent districts from this section for not more than 1~~
3 ~~year.~~

4 ~~(21) It is the intent of the legislature that this section~~
5 ~~will be reviewed before the 1999-2000 state fiscal year.~~

6 SEC. 105C. (1) IN ORDER TO AVOID A PENALTY UNDER THIS SEC-
7 TION, AND IN ORDER TO COUNT A NONRESIDENT PUPIL RESIDING IN A
8 CONTIGUOUS DISTRICT LOCATED IN ANOTHER INTERMEDIATE DISTRICT IN
9 MEMBERSHIP WITHOUT THE APPROVAL OF THE PUPIL'S DISTRICT OF RESI-
10 DENCE, A DISTRICT SHALL COMPLY WITH THIS SECTION.

11 (2) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A DISTRICT
12 SHALL DETERMINE WHETHER OR NOT IT WILL ACCEPT APPLICATIONS FOR
13 ENROLLMENT BY NONRESIDENT APPLICANTS RESIDING IN A CONTIGUOUS
14 DISTRICT LOCATED IN ANOTHER INTERMEDIATE DISTRICT FOR THE NEXT
15 SCHOOL YEAR. IF THE DISTRICT DETERMINES TO ACCEPT APPLICATIONS
16 FOR ENROLLMENT OF A NUMBER OF NONRESIDENTS UNDER THIS SECTION,
17 BEYOND THOSE ENTITLED TO PREFERENCE UNDER THIS SECTION, THE DIS-
18 TRICT SHALL USE THE FOLLOWING PROCEDURES FOR ACCEPTING APPLICA-
19 TIONS FROM AND ENROLLING NONRESIDENTS UNDER THIS SECTION:

20 (A) THE DISTRICT SHALL PUBLISH THE GRADES, SCHOOLS, AND SPE-
21 CIAL PROGRAMS, IF ANY, FOR WHICH ENROLLMENT MAY BE AVAILABLE TO,
22 AND FOR WHICH APPLICATIONS WILL BE ACCEPTED FROM, NONRESIDENT
23 APPLICANTS RESIDING IN A CONTIGUOUS DISTRICT LOCATED IN ANOTHER
24 INTERMEDIATE DISTRICT.

25 (B) IF THE DISTRICT HAS A LIMITED NUMBER OF POSITIONS AVAIL-
26 ABLE FOR NONRESIDENTS RESIDING IN A CONTIGUOUS DISTRICT LOCATED
27 IN ANOTHER INTERMEDIATE DISTRICT IN A GRADE, SCHOOL, OR PROGRAM,

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1 ALL OF THE FOLLOWING APPLY TO ACCEPTING APPLICATIONS FOR AND
2 ENROLLMENT OF NONRESIDENTS UNDER THIS SECTION IN THAT GRADE,
3 SCHOOL, OR PROGRAM:

4 (i) THE DISTRICT SHALL DO ALL OF THE FOLLOWING NOT LATER
5 THAN THE SECOND FRIDAY IN AUGUST:

6 (A) PROVIDE NOTICE TO THE GENERAL PUBLIC THAT APPLICATIONS
7 WILL BE TAKEN FOR A 15-DAY PERIOD FROM NONRESIDENTS RESIDING IN A
8 CONTIGUOUS DISTRICT LOCATED IN ANOTHER INTERMEDIATE DISTRICT FOR
9 ENROLLMENT IN THAT GRADE, SCHOOL, OR PROGRAM. THE NOTICE SHALL
10 IDENTIFY THE 15-DAY PERIOD AND THE PLACE AND MANNER FOR SUBMIT-
11 TING APPLICATIONS.

12 (B) DURING THE APPLICATION PERIOD UNDER
13 SUB-SUBPARAGRAPH (A), ACCEPT APPLICATIONS FROM NONRESIDENTS
14 RESIDING IN A CONTIGUOUS DISTRICT LOCATED IN ANOTHER INTERMEDIATE
15 DISTRICT FOR ENROLLMENT IN THAT GRADE, SCHOOL, OR PROGRAM.

16 (C) WITHIN 15 DAYS AFTER THE END OF THE APPLICATION PERIOD
17 UNDER SUB-SUBPARAGRAPH (A), USING THE PROCEDURES AND PREFERENCES
18 REQUIRED UNDER THIS SECTION, DETERMINE WHICH NONRESIDENT APPLI-
19 CANTS WILL BE ALLOWED TO ENROLL UNDER THIS SECTION IN THAT GRADE,
20 SCHOOL, OR PROGRAM, USING THE RANDOM DRAW SYSTEM REQUIRED UNDER
21 SUBSECTION (12) AS NECESSARY, AND NOTIFY THE PARENT OR LEGAL
22 GUARDIAN OF EACH NONRESIDENT APPLICANT OF WHETHER OR NOT THE
23 APPLICANT MAY ENROLL IN THE DISTRICT. THE NOTIFICATION TO PAR-
24 ENTS OR LEGAL GUARDIANS OF NONRESIDENT APPLICANTS ACCEPTED FOR
25 ENROLLMENT UNDER THIS SECTION SHALL CONTAIN NOTIFICATION OF THE
26 DATE BY WHICH THE APPLICANT MUST ENROLL IN THE DISTRICT AND
27 PROCEDURES FOR ENROLLMENT.

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1 (ii) BEGINNING ON THE THIRD MONDAY IN AUGUST AND NOT LATER
2 THAN THE END OF THE FIRST WEEK OF SCHOOL, IF ANY POSITIONS BECOME
3 AVAILABLE IN A GRADE, SCHOOL, OR PROGRAM DUE TO ACCEPTED APPLI-
4 CANTS FAILING TO ENROLL OR TO MORE POSITIONS BEING ADDED, THE
5 DISTRICT MAY ENROLL NONRESIDENT APPLICANTS FROM THE WAITING LIST
6 MAINTAINED UNDER SUBSECTION (12), OFFERING ENROLLMENT IN THE
7 ORDER THAT APPLICANTS APPEAR ON THE WAITING LIST. IF THERE ARE
8 STILL POSITIONS AVAILABLE AFTER ENROLLING ALL APPLICANTS FROM THE
9 WAITING LIST WHO DESIRE TO ENROLL, THE DISTRICT MAY NOT FILL
10 THOSE POSITIONS UNTIL THE SECOND SEMESTER ENROLLMENT UNDER SUB-
11 SECTION (3), AS PROVIDED UNDER THAT SUBSECTION, OR UNTIL THE NEXT
12 SCHOOL YEAR.

13 (c) FOR A GRADE, SCHOOL, OR PROGRAM THAT HAS AN UNLIMITED
14 NUMBER OF POSITIONS AVAILABLE FOR NONRESIDENTS RESIDING IN A CON-
15 TIGUOUS DISTRICT LOCATED IN ANOTHER INTERMEDIATE DISTRICT, ALL OF
16 THE FOLLOWING APPLY TO ENROLLMENT OF NONRESIDENTS IN THAT GRADE,
17 SCHOOL, OR PROGRAM UNDER THIS SECTION:

18 (i) THE DISTRICT MAY ACCEPT APPLICATIONS FOR ENROLLMENT IN
19 THAT GRADE, SCHOOL, OR PROGRAM, AND MAY ENROLL NONRESIDENTS
20 RESIDING IN A CONTIGUOUS DISTRICT LOCATED IN ANOTHER INTERMEDIATE
21 DISTRICT IN THAT GRADE, SCHOOL, OR PROGRAM, UNTIL THE END OF THE
22 FIRST WEEK OF SCHOOL. THE DISTRICT SHALL PROVIDE NOTICE TO THE
23 GENERAL PUBLIC OF THE PLACE AND MANNER FOR SUBMITTING APPLICA-
24 TIONS AND, IF THE DISTRICT HAS A LIMITED APPLICATION PERIOD, THE
25 NOTICE SHALL INCLUDE THE DATES OF THE APPLICATION PERIOD. THE
26 APPLICATION PERIOD SHALL BE AT LEAST A 15-DAY PERIOD.

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1 (ii) NOT LATER THAN THE END OF THE FIRST WEEK OF SCHOOL, THE
2 DISTRICT SHALL NOTIFY THE PARENT OR LEGAL GUARDIAN OF EACH
3 NONRESIDENT APPLICANT WHO IS ACCEPTED FOR ENROLLMENT UNDER THIS
4 SECTION THAT THE APPLICANT HAS BEEN ACCEPTED FOR ENROLLMENT IN
5 THE GRADE, SCHOOL, OR PROGRAM AND OF THE DATE BY WHICH THE APPLI-
6 CANT MUST ENROLL IN THE DISTRICT AND THE PROCEDURES FOR
7 ENROLLMENT.

8 (3) IF A DISTRICT DETERMINES DURING THE FIRST SEMESTER OF A
9 SCHOOL YEAR THAT IT HAS POSITIONS AVAILABLE FOR ENROLLMENT OF A
10 NUMBER OF NONRESIDENTS RESIDING IN A CONTIGUOUS DISTRICT LOCATED
11 IN ANOTHER INTERMEDIATE DISTRICT, BEYOND THOSE ENTITLED TO PREF-
12 ERENCE UNDER THIS SECTION, FOR THE SECOND SEMESTER OF THE SCHOOL
13 YEAR, THE DISTRICT MAY ACCEPT APPLICATIONS FROM AND ENROLL NON-
14 RESIDENTS RESIDING IN A CONTIGUOUS DISTRICT LOCATED IN ANOTHER
15 INTERMEDIATE DISTRICT FOR THE SECOND SEMESTER USING THE FOLLOWING
16 PROCEDURES:

17 (A) NOT LATER THAN 2 WEEKS BEFORE THE END OF THE FIRST
18 SEMESTER, THE DISTRICT SHALL PUBLISH THE GRADES, SCHOOLS, AND
19 SPECIAL PROGRAMS, IF ANY, FOR WHICH ENROLLMENT FOR THE SECOND
20 SEMESTER MAY BE AVAILABLE TO, AND FOR WHICH APPLICATIONS WILL BE
21 ACCEPTED FROM, NONRESIDENT APPLICANTS RESIDING IN A CONTIGUOUS
22 DISTRICT LOCATED IN ANOTHER INTERMEDIATE DISTRICT.

23 (B) DURING THE LAST 2 WEEKS OF THE FIRST SEMESTER, THE DIS-
24 TRICT SHALL ACCEPT APPLICATIONS FROM NONRESIDENTS RESIDING IN A
25 CONTIGUOUS DISTRICT LOCATED IN ANOTHER INTERMEDIATE DISTRICT FOR
26 ENROLLMENT FOR THE SECOND SEMESTER IN THE AVAILABLE GRADES,
27 SCHOOLS, AND PROGRAMS.

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1 (C) BY THE BEGINNING OF THE SECOND SEMESTER, USING THE
2 PROCEDURES AND PREFERENCES REQUIRED UNDER THIS SECTION, THE DIS-
3 TRICT SHALL DETERMINE WHICH NONRESIDENT APPLICANTS WILL BE
4 ALLOWED TO ENROLL UNDER THIS SECTION IN THE DISTRICT FOR THE
5 SECOND SEMESTER AND NOTIFY THE PARENT OR LEGAL GUARDIAN OF EACH
6 NONRESIDENT APPLICANT RESIDING IN A CONTIGUOUS DISTRICT LOCATED
7 IN ANOTHER INTERMEDIATE DISTRICT OF WHETHER OR NOT THE APPLICANT
8 MAY ENROLL IN THE DISTRICT. THE NOTIFICATION TO PARENTS OR LEGAL
9 GUARDIANS OF NONRESIDENT APPLICANTS ACCEPTED FOR ENROLLMENT SHALL
10 CONTAIN NOTIFICATION OF THE DATE BY WHICH THE APPLICANT MUST
11 ENROLL IN THE DISTRICT AND PROCEDURES FOR ENROLLMENT.

12 (4) IF DEADLINES SIMILAR TO THOSE DESCRIBED IN SUBSECTION
13 (2) OR (3) HAVE BEEN ESTABLISHED IN AN INTERMEDIATE DISTRICT, AND
14 IF THOSE DEADLINES ARE NOT LATER THAN THE DEADLINES UNDER
15 SUBSECTION (2) OR (3), THE DISTRICTS WITHIN THE INTERMEDIATE DIS-
16 TRICT MAY USE THOSE DEADLINES.

17 (5) A DISTRICT OFFERING TO ENROLL NONRESIDENT APPLICANTS
18 RESIDING IN A CONTIGUOUS DISTRICT LOCATED IN ANOTHER INTERMEDIATE
19 DISTRICT MAY LIMIT THE NUMBER OF THOSE NONRESIDENT PUPILS IT
20 ACCEPTS IN A GRADE, SCHOOL, OR PROGRAM, AT ITS DISCRETION, AND
21 MAY USE THAT LIMIT AS THE REASON FOR REFUSAL TO ENROLL AN APPLI-
22 CANT UNDER THIS SECTION.

23 (6) A NONRESIDENT APPLICANT RESIDING IN A CONTIGUOUS DIS-
24 TRICT LOCATED IN ANOTHER INTERMEDIATE DISTRICT SHALL NOT BE
25 GRANTED OR REFUSED ENROLLMENT BASED ON INTELLECTUAL, ACADEMIC,
26 ARTISTIC, OR OTHER ABILITY, TALENT, OR ACCOMPLISHMENT, OR LACK
27 THEREOF, OR BASED ON A MENTAL OR PHYSICAL DISABILITY, EXCEPT THAT

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1 A DISTRICT MAY REFUSE TO ADMIT A NONRESIDENT APPLICANT UNDER THIS
2 SECTION IF THE APPLICANT DOES NOT MEET THE SAME CRITERIA, OTHER
3 THAN RESIDENCE, THAT AN APPLICANT WHO IS A RESIDENT OF THE DIS-
4 TRICT MUST MEET TO BE ACCEPTED FOR ENROLLMENT IN A GRADE OR A
5 SPECIALIZED, MAGNET, OR INTRA-DISTRICT CHOICE SCHOOL OR PROGRAM
6 TO WHICH THE APPLICANT APPLIES.

7 (7) A NONRESIDENT APPLICANT RESIDING IN A CONTIGUOUS DIS-
8 TRICT LOCATED IN ANOTHER INTERMEDIATE DISTRICT SHALL NOT BE
9 GRANTED OR REFUSED ENROLLMENT UNDER THIS SECTION BASED ON AGE,
10 EXCEPT THAT A DISTRICT MAY REFUSE TO ADMIT A NONRESIDENT APPLI-
11 CANT APPLYING FOR A PROGRAM THAT IS NOT APPROPRIATE FOR THE AGE
12 OF THE APPLICANT.

13 (8) A NONRESIDENT APPLICANT RESIDING IN A CONTIGUOUS DIS-
14 TRICT LOCATED IN ANOTHER INTERMEDIATE DISTRICT SHALL NOT BE
15 GRANTED OR REFUSED ENROLLMENT UNDER THIS SECTION BASED UPON RELI-
16 GION, RACE, COLOR, NATIONAL ORIGIN, SEX, HEIGHT, WEIGHT, MARITAL
17 STATUS, OR ATHLETIC ABILITY, OR, GENERALLY, IN VIOLATION OF ANY
18 STATE OR FEDERAL LAW PROHIBITING DISCRIMINATION.

19 (9) A DISTRICT MAY REFUSE TO ENROLL A NONRESIDENT APPLICANT
20 UNDER THIS SECTION IF THE APPLICANT IS, OR HAS BEEN WITHIN THE
21 PRECEDING 2 YEARS, SUSPENDED FROM ANOTHER SCHOOL OR IF THE APPLI-
22 CANT HAS EVER BEEN EXPELLED FROM ANOTHER SCHOOL.

23 (10) A DISTRICT SHALL GIVE PREFERENCE FOR ENROLLMENT OVER
24 ALL OTHER NONRESIDENT APPLICANTS RESIDING IN A CONTIGUOUS DIS-
25 TRICT LOCATED IN ANOTHER INTERMEDIATE DISTRICT TO PUPILS WHO WERE
26 ENROLLED IN AND ATTENDED THE DISTRICT IN THE SCHOOL YEAR OR
27 SEMESTER IMMEDIATELY PRECEDING THE SCHOOL YEAR OR SEMESTER IN

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1 QUESTION AND TO OTHER SCHOOL-AGE CHILDREN WHO RESIDE IN THE SAME
2 HOUSEHOLD AS THE PUPIL.

3 (11) IF A NONRESIDENT PUPIL WAS ENROLLED IN AND ATTENDING
4 SCHOOL IN A DISTRICT AS A NONRESIDENT PUPIL IN THE 1995-96 SCHOOL
5 YEAR AND CONTINUES TO BE ENROLLED CONTINUOUSLY EACH SCHOOL YEAR
6 IN THAT DISTRICT, THE DISTRICT SHALL ALLOW THAT NONRESIDENT PUPIL
7 TO CONTINUE TO ENROLL IN AND ATTEND SCHOOL IN THE DISTRICT UNTIL
8 HIGH SCHOOL GRADUATION, WITHOUT REQUIRING THE NONRESIDENT PUPIL
9 TO APPLY FOR ENROLLMENT UNDER THIS SECTION. THIS SUBSECTION DOES
10 NOT PROHIBIT A DISTRICT FROM EXPELLING A PUPIL DESCRIBED IN THIS
11 SUBSECTION FOR DISCIPLINARY REASONS.

12 (12) IF THE NUMBER OF QUALIFIED NONRESIDENT APPLICANTS ELI-
13 GIBLE FOR ACCEPTANCE UNDER THIS SECTION IN A SCHOOL, GRADE, OR
14 PROGRAM DOES NOT EXCEED THE POSITIONS AVAILABLE FOR NONRESIDENT
15 PUPILS UNDER THIS SECTION IN THE SCHOOL, GRADE, OR PROGRAM, THE
16 SCHOOL DISTRICT SHALL ACCEPT FOR ENROLLMENT ALL OF THE QUALIFIED
17 NONRESIDENT APPLICANTS ELIGIBLE FOR ACCEPTANCE. IF THE NUMBER OF
18 QUALIFIED NONRESIDENT APPLICANTS RESIDING IN A CONTIGUOUS DIS-
19 TRICT LOCATED IN ANOTHER INTERMEDIATE DISTRICT ELIGIBLE FOR
20 ACCEPTANCE UNDER THIS SECTION EXCEEDS THE POSITIONS AVAILABLE IN
21 A GRADE, SCHOOL, OR PROGRAM IN A DISTRICT FOR NONRESIDENT PUPILS,
22 THE DISTRICT SHALL USE A RANDOM DRAW SYSTEM, SUBJECT TO THE NEED
23 TO ABIDE BY STATE AND FEDERAL ANTIDISCRIMINATION LAWS AND COURT
24 ORDERS AND SUBJECT TO PREFERENCES ALLOWED BY THIS SECTION. THE
25 DISTRICT SHALL DEVELOP AND MAINTAIN A WAITING LIST BASED ON THE
26 ORDER IN WHICH NONRESIDENT APPLICANTS WERE DRAWN UNDER THIS
27 RANDOM DRAW SYSTEM.

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1 (13) IF A DISTRICT, OR THE NONRESIDENT APPLICANT, REQUESTS
2 THE DISTRICT IN WHICH A NONRESIDENT APPLICANT RESIDES TO SUPPLY
3 INFORMATION NEEDED BY THE DISTRICT FOR EVALUATING THE APPLICANT'S
4 APPLICATION FOR ENROLLMENT OR FOR ENROLLING THE APPLICANT UNDER
5 THIS SECTION, THE DISTRICT OF RESIDENCE SHALL PROVIDE THAT INFOR-
6 MATION ON A TIMELY BASIS.

7 (14) IF A DISTRICT IS SUBJECT TO A COURT-ORDERED DESEGREGA-
8 TION PLAN, AND IF THE COURT ISSUES AN ORDER PROHIBITING PUPILS
9 RESIDING IN THAT DISTRICT FROM ENROLLING IN ANOTHER DISTRICT OR
10 PROHIBITING PUPILS RESIDING IN ANOTHER DISTRICT FROM ENROLLING IN
11 THAT DISTRICT, THIS SECTION IS SUBJECT TO THE COURT ORDER.

12 (15) THIS SECTION DOES NOT REQUIRE A DISTRICT TO PROVIDE
13 TRANSPORTATION FOR A NONRESIDENT PUPIL ENROLLED IN THE DISTRICT
14 UNDER THIS SECTION OR FOR A RESIDENT PUPIL ENROLLED IN ANOTHER
15 DISTRICT UNDER THIS SECTION. HOWEVER, AT THE TIME A NONRESIDENT
16 PUPIL ENROLLS IN THE DISTRICT, A DISTRICT SHALL PROVIDE TO THE
17 PUPIL'S PARENT OR LEGAL GUARDIAN INFORMATION ON AVAILABLE TRANS-
18 PORTATION TO AND FROM THE SCHOOL IN WHICH THE PUPIL ENROLLS.

19 (16) A DISTRICT MAY PARTICIPATE IN A COOPERATIVE EDUCATION
20 PROGRAM WITH 1 OR MORE OTHER DISTRICTS OR INTERMEDIATE DISTRICTS
21 WHETHER OR NOT THE DISTRICT ENROLLS ANY NONRESIDENTS PURSUANT TO
22 THIS SECTION.

23 (17) IN ORDER FOR A DISTRICT OR INTERMEDIATE DISTRICT TO
24 ENROLL PURSUANT TO THIS SECTION A NONRESIDENT PUPIL WHO RESIDES
25 IN A CONTIGUOUS DISTRICT LOCATED IN ANOTHER INTERMEDIATE DISTRICT
26 AND WHO IS ELIGIBLE FOR SPECIAL EDUCATION PROGRAMS AND SERVICES
27 ACCORDING TO STATUTE OR RULE, OR WHO IS A CHILD WITH

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1 DISABILITIES, AS DEFINED UNDER THE INDIVIDUALS WITH DISABILITIES
2 EDUCATION ACT, TITLE VI OF PUBLIC LAW 91-230, THE ENROLLING DIS-
3 TRICT SHALL HAVE A WRITTEN AGREEMENT WITH THE RESIDENT DISTRICT
4 OF THE PUPIL FOR THE PURPOSE OF PROVIDING THE PUPIL WITH A FREE
5 APPROPRIATE PUBLIC EDUCATION. THE WRITTEN AGREEMENT SHALL
6 INCLUDE, BUT IS NOT LIMITED TO, AN AGREEMENT ON THE RESPONSIBIL-
7 ITY FOR THE PAYMENT OF THE ADDED COSTS OF SPECIAL EDUCATION PRO-
8 GRAMS AND SERVICES FOR THE PUPIL.

9 (18) IF A DISTRICT DOES NOT COMPLY WITH THIS SECTION, THE
10 DISTRICT FORFEITS 5% OF THE TOTAL STATE SCHOOL AID ALLOCATION TO
11 THE DISTRICT UNDER THIS ACT.

12 (19) UPON APPLICATION BY A DISTRICT, THE SUPERINTENDENT MAY
13 GRANT A WAIVER FOR THE DISTRICT FROM A SPECIFIC REQUIREMENT UNDER
14 THIS SECTION FOR NOT MORE THAN 1 YEAR.

15 (20) THIS SECTION IS REPEALED IF THE FINAL DECISION OF A
16 COURT OF COMPETENT JURISDICTION HOLDS THAT ANY PORTION OF THIS
17 SECTION IS UNCONSTITUTIONAL, INEFFECTIVE, INVALID, OR IN VIOLA-
18 TION OF FEDERAL LAW.

19 (21) AS USED IN THIS SECTION, "CONTIGUOUS DISTRICT LOCATED
20 IN ANOTHER INTERMEDIATE DISTRICT" MEANS A DISTRICT THAT IS CONTI-
21 GUOUS TO A PUPIL'S DISTRICT OF RESIDENCE BUT THAT IS LOCATED IN A
22 DIFFERENT INTERMEDIATE DISTRICT THAN THE PUPIL'S DISTRICT OF
23 RESIDENCE.

24 Sec. 107. (1) From the appropriation in section 11, there
25 is allocated ~~for 1997-98,~~ for 1998-99, ~~and~~ for 1999-2000, AND
26 FOR 2000-2001 an amount not to exceed \$80,000,000.00 each fiscal
27 year for adult education programs authorized under this section.

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

8 (a) If the individual has obtained a high school diploma or
9 a general education development (G.E.D.) certificate, the indi-
10 vidual meets 1 of the following:

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

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

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

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

21 (b) If the individual has not obtained a high school diploma
22 or G.E.D. certificate, is at least 20 years of age on September 1
23 of the school year.

24 (3) The amount allocated under subsection (1) shall be dis-
25 tributed as follows:

26 (a) For districts and consortia that received payments for
27 1995-96 under former section 107f and that received payments for

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1 1996-97 under subsection (4) of this section as in effect in
2 1996-97, the amount allocated to each ~~for 1997-98,~~ for 1998-99,
3 ~~and~~ for 1999-2000, AND FOR 2000-2001 shall be an amount each
4 fiscal year equal to 36.76% of the amount the district or consor-
5 tium received for 1995-96 under former section 107f.

6 (b) For districts and consortia that received payments under
7 subsection (3) of this section as in effect for 1996-97, the
8 amount allocated to each ~~for 1997-98,~~ for 1998-99, ~~and~~ for
9 1999-2000, AND FOR 2000-2001 shall be an amount each fiscal year
10 equal to the product of the number of full-time equated partici-
11 pants actually enrolled and in attendance during the 1996-97
12 school fiscal year in the program funded under subsection (3) of
13 this section as in effect for 1996-97 as reported to the depart-
14 ment, audited, and adjusted according to subsection (10) of this
15 section as in effect for 1996-97, multiplied by \$2,750.00.

16 (c) For districts and consortia that meet the conditions of
17 both subdivisions (a) and (b), the amount allocated each fiscal
18 year ~~for 1997-98,~~ for 1998-99, ~~and~~ for 1999-2000, AND FOR
19 2000-2001 shall be the sum of the allocations to the district or
20 consortium under subdivisions (a) and (b).

21 (d) A district or consortium that received funding in
22 1996-97 under this section as in effect for 1996-97 may operate
23 independently of a consortium or join or form a consortium ~~for~~
24 ~~1997-98,~~ for 1998-99, ~~or~~ for 1999-2000, OR FOR 2000-2001. The
25 allocation ~~for 1997-98,~~ for 1998-99, ~~or~~ for 1999-2000, OR FOR
26 2000-2001 to the district or the newly formed consortium under
27 this subsection shall be determined by the department and shall

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1 be based on the proportion of the amounts specified in
2 subdivision (a) or (b), or both, that are attributable to the
3 district or consortium that received funding in 1996-97. A dis-
4 trict or consortium described in this subdivision shall notify
5 the department of its intention with regard to ~~1997-98,~~
6 1998-99, ~~or~~ 1999-2000, OR 2000-2001 by October 1 of the
7 affected fiscal year.

8 (4) A district that operated an adult education program in
9 1996-97 and does not intend to operate a program in ~~1997-98,~~
10 1998-99, ~~or~~ 1999-2000, OR 2000-2001 shall notify the department
11 by October 1 of the affected fiscal year of its intention. The
12 funds intended to be allocated under this section to a district
13 that does not operate a program in ~~1997-98,~~ 1998-99, ~~or~~
14 1999-2000, OR 2000-2001 and the unspent funds originally allo-
15 cated under this section to a district or consortium that subse-
16 quently operates a program at less than the level of funding
17 allocated under subsection (3) shall instead be proportionately
18 reallocated to the other districts described in subsection (3)(a)
19 that are operating an adult education program in ~~1997-98,~~
20 1998-99, ~~or~~ 1999-2000, OR 2000-2001 under this section.

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

25 (6) An adult basic education program or an adult English as
26 a second language program operated on a year-round or school year

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1 basis may be funded under this section, subject to all of the
2 following:

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

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

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

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

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

17 (d) A funding recipient enrolling a participant in an
18 English as a second language program is eligible for funding
19 according to subsection (10) until the participant meets 1 of the
20 following:

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

23 (ii) The participant fails to show progress on 2 successive
24 assessments after having completed at least 450 hours of
25 instruction. The department shall provide information to a fund-
26 ing recipient regarding appropriate assessment instruments for
27 this program.

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

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

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

12 (c) A funding recipient shall receive funding according to
13 subsection (10) for a participant, and a participant may be
14 enrolled in the program until 1 of the following occurs:

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

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

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

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

24 (b) A funding recipient shall receive funding according to
25 subsection (10) for a participant in a course offered under this
26 subsection until 1 of the following occurs:

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

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

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

9 (a) The program enrolls adults referred by their employer
10 who are less than 20 years of age, have a high school diploma,
11 are determined to be in need of remedial mathematics or communi-
12 cation arts skills or, for 1997-98 only, vocational skills, and
13 are not attending an institution of higher education.

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

17 (i) The individual achieves the requisite skills as deter-
18 mined by appropriate assessment instruments administered at least
19 after every 90 hours of attendance.

20 (ii) The individual fails to show progress on 2 successive
21 assessments after having completed at least 450 hours of
22 instruction. The department shall provide information to a fund-
23 ing recipient regarding appropriate assessment instruments for
24 this program.

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

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1 (a) Ninety percent for enrollment of eligible participants.

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

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

15 (12) A person who is not eligible to be a participant funded
16 under this section may receive adult education services upon the
17 payment of tuition. In addition, a person who is not eligible to
18 be served in a program under this section due to the program lim-
19 itations specified in subsection (6), (7), (8), or (9) may con-
20 tinue to receive adult education services in that program upon
21 the payment of tuition. The tuition level shall be determined by
22 the local or intermediate district conducting the program.

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

26 (14) A district shall not commingle money received under
27 this section or from another source for adult education purposes

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1 with any other funds of the district. A district receiving adult
2 education funds shall establish a separate ledger account for
3 those funds. This subsection does not prohibit a district from
4 using general funds of the district to support an adult education
5 or community education program.

6 ~~-(15) From the general fund appropriation in section 11,~~
7 ~~there is allocated for 1997-98 only an amount not to exceed~~
8 ~~\$250,000.00 for a grant to focus: hope for a fast-track adult~~
9 ~~education program.~~

10 Sec. 147. (1) The allocations for ~~1997-98,~~ 1998-99, ~~and~~
11 1999-2000, AND 2000-2001 for the public school employees' retire-
12 ment system pursuant to the public school employees retirement
13 act of 1979, 1980 PA 300, MCL 38.1301 to 38.1467, shall be made
14 using the entry age normal cost actuarial method and risk assump-
15 tions adopted by the public school employees retirement board and
16 the department of management and budget. Effective October 1,
17 ~~1997~~ 1998, the annual level percentage of payroll contribution
18 rate for the ~~1997-98~~ 1998-99 state fiscal year is estimated at
19 11.12%, the annual level percentage of payroll contribution rate
20 for the ~~1998-99 and~~ 1999-2000 state fiscal ~~years~~ YEAR is
21 estimated at ~~11.12%~~ 11.66%, AND THE ANNUAL LEVEL PERCENTAGE OF
22 PAYROLL CONTRIBUTION RATE FOR THE 2000-2001 STATE FISCAL YEAR IS
23 ESTIMATED AT 11.66%. The portion of the contribution rate
24 assigned to districts and intermediate districts for ~~1997-98,~~
25 1998-99, ~~and~~ 1999-2000, AND 2000-2001 is all of the total per-
26 centage points. This contribution rate reflects an amortization
27 period of ~~39 years for 1997-98,~~ 38 years for 1998-99, ~~and~~ 37

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1 years for 1999-2000, AND 36 YEARS FOR 2000-2001. The public
2 school employees' retirement system board shall notify each dis-
3 trict and intermediate district by February 28 of each fiscal
4 year of the estimated contribution rate for the next fiscal
5 year.

6 (2) It is the intent of the legislature that the amortiza-
7 tion period described in section 41(2) of the public school
8 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, be
9 reduced to 30 years by the end of the 2005-2006 state fiscal year
10 by reducing the amortization period by not more than 1 year each
11 fiscal year.

12 Sec. 166b. (1) This act does not prohibit a parent or legal
13 guardian of a minor who is enrolled in any of grades 1 to 12 in a
14 nonpublic school or who is being home-schooled from also enroll-
15 ing the minor in a district or intermediate district in any cur-
16 ricular offering that is provided by the district or intermediate
17 district at a public school site and is available to pupils in
18 the minor's grade level or age group, subject to compliance with
19 the same requirements that apply to a full-time pupil's partici-
20 pation in the offering. However, state school aid shall be pro-
21 vided under this act for a minor enrolled as described in this
22 subsection only for curricular offerings that are offered to
23 full-time pupils in the minor's grade level or age group during
24 regularly scheduled school hours.

25 (2) This act does not prohibit a parent or legal guardian of
26 a minor who is enrolled in any of grades 1 to 12 in a nonpublic
27 school located within the district or who resides within the

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1 district and is being home-schooled from also enrolling the minor
2 in the district in a curricular offering being provided by the
3 district at the nonpublic school site. However, state school aid
4 shall be provided under this act for a minor enrolled as
5 described in this subsection only if all of the following apply:

6 (a) The nonpublic school site is located, or the nonpublic
7 students are educated, within the geographic boundaries of EITHER
8 the district OR A CONTIGUOUS DISTRICT OPERATING UNDER A COOPERA-
9 TIVE PROGRAM OF WHICH THE DISTRICT IS A MEMBER AND THAT IS ESTAB-
10 LISHED FOR THE PURPOSE OF PROVIDING NONESSENTIAL ELECTIVE COURSES
11 TO NONPUBLIC SCHOOL STUDENTS.

12 (b) The nonpublic school is registered with the department
13 as a nonpublic school and meets all state reporting requirements
14 for nonpublic schools.

15 (c) The instruction is scheduled to occur during the regular
16 school day.

17 (d) The instruction is provided directly by an employee of
18 the district or of an intermediate district.

19 (e) The curricular offering is also available to full-time
20 pupils in the minor's grade level or age group in the district
21 during the regular school day at a public school site.

22 (f) The curricular offering is restricted to nonessential
23 elective courses for pupils in grades 1 to 12.

24 (3) A minor enrolled as described in this section is a
25 part-time pupil for purposes of state school aid under this act.

26 Enacting section 1. In accordance with section 30 of
27 article IX of the state constitution of 1963, total state

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1 spending in this amendatory act and in 1998 PA 553, 1998 PA 339,
2 and 1997 PA 142 from state sources for fiscal year 1998-99 is
3 estimated at ~~\$9,547,404,600.00~~ \$9,543,904,600.00 and state
4 appropriations to be
5 paid to local units of government for fiscal year 1998-99 are
6 estimated at ~~\$9,513,107,400.00~~ \$9,509,607,400.00; total state
7 spending in this
8 amendatory act and 1998 PA 553 and 1998 PA 339 from state sources
9 for fiscal year 1999-2000 is estimated at ~~\$9,993,561,900.00~~
10 \$10,045,801,200.00 and
11 state appropriations to be paid to local units of government for
12 fiscal year 1999-2000 are estimated at ~~\$9,957,364,700.00~~
13 \$10,009,604,000.00; and
14 total state spending in this amendatory act from state sources
15 for fiscal year 2000-2001 is estimated at ~~\$10,506,444,400.00~~
16 \$10,473,468,900.00 and
17 state appropriations to be paid to local units of government for
18 fiscal year 2000-2001 are estimated at ~~\$10,470,247,200.00~~
19 \$10,437,271,700.00.
20 Enacting section 2. Sections 10 and 11e of the state school
21 aid act of 1979, 1979 PA 94, MCL 388.1610 and 388.1611e, are
22 repealed.