

HOUSE BILL No. 5636

December 1, 2009, Introduced by Rep. Melton and referred to the Committee on Education.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 6, 20, and 94a (MCL 388.1606, 388.1620, and
388.1694a), as amended by 2009 PA 121.

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 from
3 several districts in programs for pupils with autism spectrum
4 disorder, pupils with severe cognitive impairment, pupils with
5 moderate cognitive impairment, pupils with severe multiple
6 impairments, pupils with hearing impairment, pupils with visual

1 impairment, and pupils with physical impairment or other health
2 impairment. Programs for pupils with emotional impairment housed in
3 buildings that do not serve regular education pupils also qualify.
4 Unless otherwise approved by the department, a center program
5 either shall serve all constituent districts within an intermediate
6 district or shall serve several districts with less than 50% of the
7 pupils residing in the operating district. In addition, special
8 education center program pupils placed part-time in noncenter
9 programs to comply with the least restrictive environment
10 provisions of section 612 of part B of the individuals with
11 disabilities education act, 20 USC 1412, may be considered center
12 program pupils for pupil accounting purposes for the time scheduled
13 in either a center program or a noncenter program.

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

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

23 (4) "Membership", except as otherwise provided in this act,
24 means for a district, public school academy, university school, or
25 intermediate district the sum of the product of .75 times the
26 number of full-time equated pupils in grades K to 12 actually
27 enrolled and in regular daily attendance on the pupil membership

1 count day for the current school year, plus the product of .25
2 times the final audited count from the supplemental count day for
3 the immediately preceding school year. All pupil counts used in
4 this subsection are as determined by the department and calculated
5 by adding the number of pupils registered for attendance plus
6 pupils received by transfer and minus pupils lost as defined by
7 rules promulgated by the superintendent, and as corrected by a
8 subsequent department audit. The amount of the foundation allowance
9 for a pupil in membership is determined under section 20. In making
10 the calculation of membership, all of the following, as applicable,
11 apply to determining the membership of a district, public school
12 academy, university school, or intermediate district:

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

18 (b) If a pupil is educated in a district other than the
19 pupil's district of residence, if the pupil is not being educated
20 as part of a cooperative education program, if the pupil's district
21 of residence does not give the educating district its approval to
22 count the pupil in membership in the educating district, and if the
23 pupil is not covered by an exception specified in subsection (6) to
24 the requirement that the educating district must have the approval
25 of the pupil's district of residence to count the pupil in
26 membership, the pupil shall not be counted in membership in any
27 district.

1 (c) A special education pupil educated by the intermediate
2 district shall be counted in membership in the intermediate
3 district.

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

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

13 (f) A pupil enrolled in a vocational education program
14 supported by a millage levied over an area larger than a single
15 district or in an area vocational-technical education program
16 established pursuant to section 690 of the revised school code, MCL
17 380.690, shall be counted only in the pupil's district of
18 residence.

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

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

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

27 (i) If operations begin before the pupil membership count day

1 for the fiscal year, membership is the average number of full-time
2 equated pupils in grades K to 12 actually enrolled and in regular
3 daily attendance on the pupil membership count day for the current
4 school year and on the supplemental count day for the current
5 school year, as determined by the department and calculated by
6 adding the number of pupils registered for attendance on the pupil
7 membership count day plus pupils received by transfer and minus
8 pupils lost as defined by rules promulgated by the superintendent,
9 and as corrected by a subsequent department audit, plus the final
10 audited count from the supplemental count day for the current
11 school year, and dividing that sum by 2.

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

18 (j) If a district is the authorizing body for a public school
19 academy, then, in the first school year in which pupils are counted
20 in membership on the pupil membership count day in the public
21 school academy, the determination of the district's membership
22 shall exclude from the district's pupil count for the immediately
23 preceding supplemental count day any pupils who are counted in the
24 public school academy on that first pupil membership count day who
25 were also counted in the district on the immediately preceding
26 supplemental count day.

27 (k) In a district, public school academy, university school,

1 or intermediate district operating an extended school year program
2 approved by the superintendent, a pupil enrolled, but not scheduled
3 to be in regular daily attendance on a pupil membership count day,
4 shall be counted.

5 (l) ~~Pupils~~ **UNTIL 2010-2011**, to be counted in membership **A PUPIL**
6 shall be ~~not less than~~ **AT LEAST** 5 years of age on December 1 and
7 less than 20 years of age on September 1 of the school year. ~~except~~
8 **FOR 2010-2011, TO BE COUNTED IN MEMBERSHIP A PUPIL SHALL BE AT**
9 **LEAST 5 YEARS OF AGE ON NOVEMBER 1, 2010 AND LESS THAN 20 YEARS OF**
10 **AGE ON SEPTEMBER 1, 2010. FOR 2011-2012, TO BE COUNTED IN**
11 **MEMBERSHIP A PUPIL SHALL BE AT LEAST 5 YEARS OF AGE ON OCTOBER 1,**
12 **2011 AND LESS THAN 20 YEARS OF AGE ON SEPTEMBER 1, 2011. BEGINNING**
13 **WITH 2012-2013, TO BE COUNTED IN MEMBERSHIP A PUPIL SHALL BE AT**
14 **LEAST 5 YEARS OF AGE AND LESS THAN 20 YEARS OF AGE ON SEPTEMBER 1**
15 **OF THE SCHOOL YEAR. HOWEVER,** a special education pupil who is
16 enrolled and receiving instruction in a special education program
17 or service approved by the department, ~~and not having~~ **WHO DOES NOT**
18 **HAVE** a high school diploma, **AND** who is less than 26 years of age as
19 of September 1 of the current school year shall be counted in
20 membership.

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

1 growth, or participating in any successor of either of those 2
2 programs, shall not be counted in membership.

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

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

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

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

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

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

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

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

1 pupils in grades 1 to 12. BEGINNING IN 2012-2013, FOR A DISTRICT OR
2 PUBLIC SCHOOL ACADEMY THAT IS REQUIRED TO PROVIDE A FULL SCHOOL DAY
3 KINDERGARTEN PROGRAM UNDER SECTION 1147(3) OF THE REVISED SCHOOL
4 CODE, MCL 380.1147, FULL-TIME EQUATED MEMBERSHIPS FOR PUPILS IN
5 KINDERGARTEN SHALL BE DETERMINED BY DIVIDING THE NUMBER OF CLASS
6 HOURS SCHEDULED AND PROVIDED PER YEAR PER KINDERGARTEN PUPIL BY THE
7 SAME NUMBER USED FOR DETERMINING FULL-TIME EQUATED MEMBERSHIPS FOR
8 PUPILS IN GRADES 1 TO 12.

9 (s) 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 is
14 the average of the number of those pupils enrolled and in regular
15 daily attendance on the pupil membership count day and the
16 supplemental count day of the current school year, as determined by
17 the department. Membership shall be calculated by adding the number
18 of pupils registered for attendance in that grade level on the
19 pupil membership count day plus pupils received by transfer and
20 minus pupils lost as defined by rules promulgated by the
21 superintendent, and as corrected by subsequent department audit,
22 plus the final audited count from the supplemental count day for
23 the current school year, and dividing that sum by 2.

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

27 (u) If, as a result of a disciplinary action, a district

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

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

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

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

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

27 (v) A pupil enrolled in an alternative or disciplinary

1 education program described in section 25 shall be counted in
2 membership in the district or public school academy that is
3 educating the pupil.

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

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

21 (y) If a district's membership for a particular fiscal year,
22 as otherwise calculated under this subsection, would be less than
23 1,550 pupils and the district has 4.5 or fewer pupils per square
24 mile, as determined by the department, and, beginning in 2007-2008,
25 if the district does not receive funding under section 22d(2), the
26 district's membership shall be considered to be the membership
27 figure calculated under this subdivision. If a district educates

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

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

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

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

25 (aa) Full-time equated memberships for preprimary-aged special
26 education pupils who are not enrolled in kindergarten but are
27 enrolled in a classroom program under R 340.1754 of the Michigan

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

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

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

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

26 (5) "Public school academy" means a public school academy,
27 urban high school academy, or strict discipline academy operating

1 under the revised school code.

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

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

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

11 (c) A pupil enrolled in a public school academy or university
12 school.

13 (d) A pupil enrolled in a district other than the pupil's
14 district of residence under an intermediate district schools of
15 choice pilot program as described in section 91a or former section
16 91 if the intermediate district and its constituent districts have
17 been exempted from section 105.

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

21 (f) A pupil who has made an official written complaint or
22 whose parent or legal guardian has made an official written
23 complaint to law enforcement officials and to school officials of
24 the pupil's district of residence that the pupil has been the
25 victim of a criminal sexual assault or other serious assault, if
26 the official complaint either indicates that the assault occurred
27 at school or that the assault was committed by 1 or more other

1 pupils enrolled in the school the pupil would otherwise attend in
2 the district of residence or by an employee of the district of
3 residence. A person who intentionally makes a false report of a
4 crime to law enforcement officials for the purposes of this
5 subdivision is subject to section 411a of the Michigan penal code,
6 1931 PA 328, MCL 750.411a, which provides criminal penalties for
7 that conduct. As used in this subdivision:

8 (i) "At school" means in a classroom, elsewhere on school
9 premises, on a school bus or other school-related vehicle, or at a
10 school-sponsored activity or event whether or not it is held on
11 school premises.

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

17 (g) A pupil whose district of residence changed after the
18 pupil membership count day and before the supplemental count day
19 and who continues to be enrolled on the supplemental count day as a
20 nonresident in the district in which he or she was enrolled as a
21 resident on the pupil membership count day of the same school year.

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

25 (i) The pupil has been suspended or expelled from his or her
26 district of residence for any reason, including, but not limited
27 to, a suspension or expulsion under section 1310, 1311, or 1311a of

1 the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

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

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

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

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

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

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

12 (k) An expelled pupil who has been denied reinstatement by the
13 expelling district and is reinstated by another school board under
14 section 1311 or 1311a of the revised school code, MCL 380.1311 and
15 380.1311a.

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

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

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

1 those pupils in membership.

2 (7) "Pupil membership count day" of a district or intermediate
3 district means:

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

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

12 (i) Fourth Wednesday in July.

13 (ii) Fourth Wednesday after Labor day.

14 (iii) Second Wednesday in February.

15 (iv) Fourth Wednesday in April.

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

1 pupil membership count day or supplemental count day and who fails
2 to attend each of the classes in which the pupil is enrolled within
3 30 calendar days after the pupil membership count day or
4 supplemental count day shall not be counted as 1.0 full-time
5 equated membership. In addition, a pupil who was enrolled and in
6 attendance in a district, intermediate district, or public school
7 academy before the pupil membership count day or supplemental count
8 day of a particular year but was expelled or suspended on the pupil
9 membership count day or supplemental count day shall only be
10 counted as 1.0 full-time equated membership if the pupil resumed
11 attendance in the district, intermediate district, or public school
12 academy within 45 days after the pupil membership count day or
13 supplemental count day of that particular year. Pupils not counted
14 as 1.0 full-time equated membership due to an absence from a class
15 shall be counted as a prorated membership for the classes the pupil
16 attended. For purposes of this subsection, "class" means a period
17 of time in 1 day when pupils and a certificated teacher or legally
18 qualified substitute teacher are together and instruction is taking
19 place.

20 (9) "Rule" means a rule promulgated pursuant to the
21 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
22 24.328.

23 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
24 380.1852.

25 (11) "School district of the first class", "first class school
26 district", and "district of the first class", except in subsection
27 (6), mean a district that had at least 60,000 pupils in membership

1 for the immediately preceding fiscal year.

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

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

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

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

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

19 (17) "State school aid fund" means the state school aid fund
20 established in section 11 of article IX of the state constitution
21 of 1963.

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

25 (19) "Textbook" means a book that is selected and approved by
26 the governing board of a district and that contains a presentation
27 of principles of a subject, or that is a literary work relevant to

1 the study of a subject required for the use of classroom pupils, or
2 another type of course material that forms the basis of classroom
3 instruction.

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

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

10 Sec. 20. (1) For 2009-2010, the basic foundation allowance is
11 \$8,489.00.

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

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

19 (a) For a district that had a foundation allowance for the
20 immediately preceding state fiscal year that was at least equal to
21 the sum of \$7,108.00 plus the total dollar amount of all
22 adjustments made from 2006-2007 to the immediately preceding state
23 fiscal year in the lowest foundation allowance among all districts,
24 but less than the basic foundation allowance for the immediately
25 preceding state fiscal year, the district shall receive a
26 foundation allowance in an amount equal to the sum of the
27 district's foundation allowance for the immediately preceding state

1 fiscal year plus the difference between twice the dollar amount of
2 the adjustment from the immediately preceding state fiscal year to
3 the current state fiscal year made in the basic foundation
4 allowance and [(the dollar amount of the adjustment from the
5 immediately preceding state fiscal year to the current state fiscal
6 year made in the basic foundation allowance minus \$20.00) times
7 (the difference between the district's foundation allowance for the
8 immediately preceding state fiscal year and the sum of \$7,108.00
9 plus the total dollar amount of all adjustments made from 2006-2007
10 to the immediately preceding state fiscal year in the lowest
11 foundation allowance among all districts) divided by the difference
12 between the basic foundation allowance for the current state fiscal
13 year and the sum of \$7,108.00 plus the total dollar amount of all
14 adjustments made from 2006-2007 to the immediately preceding state
15 fiscal year in the lowest foundation allowance among all
16 districts]. For 2009-2010, for a district that had a foundation
17 allowance for the immediately preceding state fiscal year that was
18 at least equal to the sum of \$7,108.00 plus the total dollar amount
19 of all adjustments made from 2006-2007 to the immediately preceding
20 state fiscal year in the lowest foundation allowance among all
21 districts, but less than the basic foundation allowance for the
22 immediately preceding state fiscal year, the district shall receive
23 a foundation allowance in an amount equal to the district's
24 foundation allowance for the immediately preceding state fiscal
25 year. However, the foundation allowance for a district that had
26 less than the basic foundation allowance for the immediately
27 preceding state fiscal year shall not exceed the basic foundation

1 allowance for the current state fiscal year.

2 (b) Except as otherwise provided in this subsection, for a
3 district that in the immediately preceding state fiscal year had a
4 foundation allowance in an amount at least equal to the amount of
5 the basic foundation allowance for the immediately preceding state
6 fiscal year, the district shall receive a foundation allowance in
7 an amount equal to the sum of the district's foundation allowance
8 for the immediately preceding state fiscal year plus the dollar
9 amount of the adjustment from the immediately preceding state
10 fiscal year to the current state fiscal year in the basic
11 foundation allowance.

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

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

1 (e) For a district that received a payment under section 22c
2 as that section was in effect for 2001-2002, the district's 2001-
3 2002 foundation allowance shall be considered to have been an
4 amount equal to the sum of the district's actual 2001-2002
5 foundation allowance as otherwise calculated under this section
6 plus the per pupil amount of the district's equity payment for
7 2001-2002 under section 22c as that section was in effect for 2001-
8 2002.

9 (f) For a district that received a payment under section 22c
10 as that section was in effect for 2006-2007, the district's 2006-
11 2007 foundation allowance shall be considered to have been an
12 amount equal to the sum of the district's actual 2006-2007
13 foundation allowance as otherwise calculated under this section
14 plus the per pupil amount of the district's equity payment for
15 2006-2007 under section 22c as that section was in effect for 2006-
16 2007.

17 (4) Except as otherwise provided in this subsection, the state
18 portion of a district's foundation allowance is an amount equal to
19 the district's foundation allowance or the basic foundation
20 allowance for the current state fiscal year, whichever is less,
21 minus the difference between the sum of the product of the taxable
22 value per membership pupil of all property in the district that is
23 nonexempt property times the district's certified mills and, for a
24 district with certified mills exceeding 12, the product of the
25 taxable value per membership pupil of property in the district that
26 is commercial personal property times the certified mills minus 12
27 mills and the quotient of the ad valorem property tax revenue of

1 the district captured under tax increment financing acts divided by
2 the district's membership excluding special education pupils. For a
3 district described in subsection (3)(c), the state portion of the
4 district's foundation allowance is an amount equal to \$6,962.00
5 plus the difference between the district's foundation allowance for
6 the current state fiscal year and the district's foundation
7 allowance for 1998-99, minus the difference between the sum of the
8 product of the taxable value per membership pupil of all property
9 in the district that is nonexempt property times the district's
10 certified mills and, for a district with certified mills exceeding
11 12, the product of the taxable value per membership pupil of
12 property in the district that is commercial personal property times
13 the certified mills minus 12 mills and the quotient of the ad
14 valorem property tax revenue of the district captured under tax
15 increment financing acts divided by the district's membership
16 excluding special education pupils. For a district that has a
17 millage reduction required under section 31 of article IX of the
18 state constitution of 1963, the state portion of the district's
19 foundation allowance shall be calculated as if that reduction did
20 not occur. For the purposes of state law, federal funding awarded
21 to this state under title XIV of the American recovery and
22 reinvestment act of 2009, Public Law 111-5, that is appropriated
23 under section 11 and allocated under section 22b, is considered to
24 be part of the state portion of a district's foundation allowance
25 and is considered to be part of the total state school aid paid to
26 a public school academy.

27 (5) The allocation calculated under this section for a pupil

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

20 (6) Subject to subsection (7) and except as otherwise provided
21 in this subsection, for pupils in membership, other than special
22 education pupils, in a public school academy or a university
23 school, the allocation calculated under this section is an amount
24 per membership pupil other than special education pupils in the
25 public school academy or university school equal to the sum of the
26 local school operating revenue per membership pupil other than
27 special education pupils for the district in which the public

1 school academy or university school is located and the state
2 portion of that district's foundation allowance, or the state
3 maximum public school academy allocation, whichever is less.
4 **HOWEVER, FOR A PUBLIC SCHOOL ACADEMY THAT IS AUTHORIZED UNDER A**
5 **CONTRACT ISSUED BY THE DISTRICT IN WHICH THE PUBLIC SCHOOL ACADEMY**
6 **IS LOCATED, FOR PUPILS IN MEMBERSHIP, OTHER THAN SPECIAL EDUCATION**
7 **PUPILS, IN THE PUBLIC SCHOOL ACADEMY, THE ALLOCATION CALCULATED**
8 **UNDER THIS SECTION IS AN AMOUNT PER MEMBERSHIP PUPIL OTHER THAN**
9 **SPECIAL EDUCATION PUPILS IN THE PUBLIC SCHOOL ACADEMY EQUAL TO THE**
10 **SUM OF THE LOCAL SCHOOL OPERATING REVENUE PER MEMBERSHIP PUPIL**
11 **OTHER THAN SPECIAL EDUCATION PUPILS FOR THAT DISTRICT AND THE STATE**
12 **PORTION OF THAT DISTRICT'S FOUNDATION ALLOWANCE.** Notwithstanding
13 section 101, for a public school academy that begins operations
14 after the pupil membership count day, the amount per membership
15 pupil calculated under this subsection shall be adjusted by
16 multiplying that amount per membership pupil by the number of hours
17 of pupil instruction provided by the public school academy after it
18 begins operations, as determined by the department, divided by the
19 minimum number of hours of pupil instruction required under section
20 101(3). The result of this calculation shall not exceed the amount
21 per membership pupil otherwise calculated under this subsection.

22 (7) If more than 25% of the pupils residing within a district
23 are in membership in 1 or more public school academies located in
24 the district, then the amount per membership pupil calculated under
25 this section for a public school academy located in the district
26 shall be reduced by an amount equal to the difference between the
27 sum of the product of the taxable value per membership pupil of all

1 property in the district that is nonexempt property times the
2 district's certified mills and, for a district with certified mills
3 exceeding 12, the product of the taxable value per membership pupil
4 of property in the district that is commercial personal property
5 times the certified mills minus 12 mills and the quotient of the ad
6 valorem property tax revenue of the district captured under tax
7 increment financing acts divided by the district's membership
8 excluding special education pupils, in the school fiscal year
9 ending in the current state fiscal year, calculated as if the
10 resident pupils in membership in 1 or more public school academies
11 located in the district were in membership in the district. In
12 order to receive state school aid under this act, a district
13 described in this subsection shall pay to the authorizing body that
14 is the fiscal agent for a public school academy located in the
15 district for forwarding to the public school academy an amount
16 equal to that local school operating revenue per membership pupil
17 for each resident pupil in membership other than special education
18 pupils in the public school academy, as determined by the
19 department.

20 (8) If a district does not receive an amount calculated under
21 subsection (9); if the number of mills the district may levy on a
22 principal residence, qualified agricultural property, qualified
23 forest property, industrial personal property, and commercial
24 personal property under section 1211 of the revised school code,
25 MCL 380.1211, is 0.5 mills or less; and if the district elects not
26 to levy those mills, the district instead shall receive a separate
27 supplemental amount calculated under this subsection in an amount

1 equal to the amount the district would have received had it levied
2 those mills, as determined by the department of treasury. A
3 district shall not receive a separate supplemental amount
4 calculated under this subsection for a fiscal year unless in the
5 calendar year ending in the fiscal year the district levies the
6 district's certified mills on property that is nonexempt property.

7 (9) For a district that had combined state and local revenue
8 per membership pupil in the 1993-94 state fiscal year of more than
9 \$6,500.00 and that had fewer than 350 pupils in membership, if the
10 district elects not to reduce the number of mills from which a
11 principal residence, qualified agricultural property, qualified
12 forest property, industrial personal property, and commercial
13 personal property are exempt and not to levy school operating taxes
14 on a principal residence, qualified agricultural property,
15 qualified forest property, industrial personal property, and
16 commercial personal property as provided in section 1211 of the
17 revised school code, MCL 380.1211, and not to levy school operating
18 taxes on all property as provided in section 1211(2) of the revised
19 school code, MCL 380.1211, there is calculated under this
20 subsection for 1994-95 and each succeeding fiscal year a separate
21 supplemental amount in an amount equal to the amount the district
22 would have received per membership pupil had it levied school
23 operating taxes on a principal residence, qualified agricultural
24 property, qualified forest property, industrial personal property,
25 and commercial personal property at the rate authorized for the
26 district under section 1211 of the revised school code, MCL
27 380.1211, and levied school operating taxes on all property at the

1 rate authorized for the district under section 1211(2) of the
2 revised school code, MCL 380.1211, as determined by the department
3 of treasury. If in the calendar year ending in the fiscal year a
4 district does not levy the district's certified mills on property
5 that is nonexempt property, the amount calculated under this
6 subsection will be reduced by the same percentage as the millage
7 actually levied compares to the district's certified mills.

8 (10) Subject to subsection (4), for a district that is formed
9 or reconfigured after June 1, 2002 by consolidation of 2 or more
10 districts or by annexation, the resulting district's foundation
11 allowance under this section beginning after the effective date of
12 the consolidation or annexation shall be the average of the
13 foundation allowances of each of the original or affected
14 districts, calculated as provided in this section, weighted as to
15 the percentage of pupils in total membership in the resulting
16 district who reside in the geographic area of each of the original
17 or affected districts. The calculation under this subsection shall
18 take into account a district's per pupil allocation under section
19 20j(2).

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

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

27 (13) To assist the legislature in determining the basic

1 foundation allowance for the subsequent state fiscal year, each
2 revenue estimating conference conducted under section 367b of the
3 management and budget act, 1984 PA 431, MCL 18.1367b, shall
4 calculate a pupil membership factor, a revenue adjustment factor,
5 and an index as follows:

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

16 (b) The revenue adjustment factor shall be computed by
17 dividing the sum of the estimated total state school aid fund
18 revenue for the subsequent state fiscal year plus the estimated
19 total state school aid fund revenue for the current state fiscal
20 year, adjusted for any change in the rate or base of a tax the
21 proceeds of which are deposited in that fund and excluding money
22 transferred into that fund from the countercyclical budget and
23 economic stabilization fund under the management and budget act,
24 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated
25 total school aid fund revenue for the current state fiscal year
26 plus the estimated total state school aid fund revenue for the
27 immediately preceding state fiscal year, adjusted for any change in

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

7 (c) The index shall be calculated by multiplying the pupil
8 membership factor by the revenue adjustment factor. However, for
9 2009-2010, the index shall be 1.00. If a consensus index is not
10 determined at the revenue estimating conference, the principals of
11 the revenue estimating conference shall report their estimates to
12 the house and senate subcommittees responsible for school aid
13 appropriations not later than 7 days after the conclusion of the
14 revenue conference.

15 (14) If the principals at the revenue estimating conference
16 reach a consensus on the index described in subsection (13)(c), the
17 lowest foundation allowance among all districts for the subsequent
18 state fiscal year shall be at least the amount of that consensus
19 index multiplied by the lowest foundation allowance among all
20 districts for the immediately preceding state fiscal year.

21 (15) If at the January revenue estimating conference it is
22 estimated that pupil membership, excluding intermediate district
23 membership, for the subsequent state fiscal year will be greater
24 than 101% of the pupil membership, excluding intermediate district
25 membership, for the current state fiscal year, then it is the
26 intent of the legislature that the executive budget proposal for
27 the school aid budget for the subsequent state fiscal year include

1 a general fund/general purpose allocation sufficient to support the
2 membership in excess of 101% of the current year pupil membership.

3 (16) For a district that had combined state and local revenue
4 per membership pupil in the 1993-94 state fiscal year of more than
5 \$6,500.00, that had fewer than 7 pupils in membership in the 1993-
6 94 state fiscal year, that has at least 1 child educated in the
7 district in the current state fiscal year, and that levies the
8 number of mills of school operating taxes authorized for the
9 district under section 1211 of the revised school code, MCL
10 380.1211, a minimum amount of combined state and local revenue
11 shall be calculated for the district as provided under this
12 subsection. The minimum amount of combined state and local revenue
13 for 1999-2000 shall be \$67,000.00 plus the district's additional
14 expenses to educate pupils in grades 9 to 12 educated in other
15 districts as determined and allowed by the department. The minimum
16 amount of combined state and local revenue under this subsection,
17 before adding the additional expenses, shall increase each fiscal
18 year by the same percentage increase as the percentage increase in
19 the basic foundation allowance from the immediately preceding
20 fiscal year to the current fiscal year. The state portion of the
21 minimum amount of combined state and local revenue under this
22 subsection shall be calculated by subtracting from the minimum
23 amount of combined state and local revenue under this subsection
24 the sum of the district's local school operating revenue and an
25 amount equal to the product of the sum of the state portion of the
26 district's foundation allowance plus the amount calculated under
27 section 20j times the district's membership. As used in this

1 subsection, "additional expenses" means the district's expenses for
2 tuition or fees, not to exceed the basic foundation allowance for
3 the current state fiscal year, plus a room and board stipend not to
4 exceed \$10.00 per school day for each pupil in grades 9 to 12
5 educated in another district, as approved by the department.

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

17 (18) For a district in which an industrial facilities
18 exemption certificate that abated taxes on property with a state
19 equalized valuation greater than the total state equalized
20 valuation of the district at the time the certificate was issued or
21 \$700,000,000.00, whichever is greater, was issued under 1974 PA
22 198, MCL 207.551 to 207.572, before the calculation of the
23 district's 1994-95 foundation allowance, the district's foundation
24 allowance for 2002-2003 is an amount equal to the sum of the
25 district's foundation allowance for 2002-2003, as otherwise
26 calculated under this section, plus \$250.00.

27 (19) For a district that received a grant under former section

1 32e for 2001-2002, the district's foundation allowance for 2002-
2 2003 and each succeeding fiscal year shall be adjusted to be an
3 amount equal to the sum of the district's foundation allowance, as
4 otherwise calculated under this section, plus the quotient of 100%
5 of the amount of the grant award to the district for 2001-2002
6 under former section 32e divided by the number of pupils in the
7 district's membership for 2001-2002 who were residents of and
8 enrolled in the district. Except as otherwise provided in this
9 subsection, a district qualifying for a foundation allowance
10 adjustment under this subsection shall use the funds resulting from
11 this adjustment for at least 1 of grades K to 3 for purposes
12 allowable under former section 32e as in effect for 2001-2002, and
13 may also use these funds for an early intervening program described
14 in subsection (20). For an individual school or schools operated by
15 a district qualifying for a foundation allowance under this
16 subsection that have been determined by the department to meet the
17 adequate yearly progress standards of the federal no child left
18 behind act of 2001, Public Law 107-110, in both mathematics and
19 English language arts at all applicable grade levels for all
20 applicable subgroups, the district may submit to the department an
21 application for flexibility in using the funds resulting from this
22 adjustment that are attributable to the pupils in the school or
23 schools. The application shall identify the affected school or
24 schools and the affected funds and shall contain a plan for using
25 the funds for specific purposes identified by the district that are
26 designed to reduce class size, but that may be different from the
27 purposes otherwise allowable under this subsection. The department

1 shall approve the application if the department determines that the
2 purposes identified in the plan are reasonably designed to reduce
3 class size. If the department does not act to approve or disapprove
4 an application within 30 days after it is submitted to the
5 department, the application is considered to be approved. If an
6 application for flexibility in using the funds is approved, the
7 district may use the funds identified in the application for any
8 purpose identified in the plan.

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

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

24 (b) Shall provide early intervening strategies for pupils in
25 grades K to 3 using schoolwide systems of academic and behavioral
26 supports and shall be scientifically research-based. The strategies
27 to be provided shall include at least pupil performance indicators

1 based upon response to intervention, instructional consultation for
2 teachers, and ongoing progress monitoring. A schoolwide system of
3 academic and behavioral support should be based on a support team
4 available to the classroom teachers. The members of this team could
5 include the principal, special education staff, reading teachers,
6 and other appropriate personnel who would be available to
7 systematically study the needs of the individual child and work
8 with the teacher to match instruction to the needs of the
9 individual child.

10 (21) For a district that levied 1.9 mills in 1993 to finance
11 an operating deficit, the district's foundation allowance shall be
12 calculated as if those mills were included as operating mills in
13 the calculation of the district's 1994-1995 foundation allowance. A
14 district is not entitled to any retroactive payments for fiscal
15 years before 2006-2007 due to this subsection. A district receiving
16 an adjustment under this subsection shall not receive more than
17 \$800,000.00 for a fiscal year as a result of this adjustment.

18 (22) For a district that levied 2.23 mills in 1993 to finance
19 an operating deficit, the district's foundation allowance shall be
20 calculated as if those mills were included as operating mills in
21 the calculation of the district's 1994-1995 foundation allowance. A
22 district is not entitled to any retroactive payments for fiscal
23 years before 2006-2007 due to this subsection. A district receiving
24 an adjustment under this subsection shall not receive more than
25 \$500,000.00 for a fiscal year as a result of this adjustment.

26 (23) Payments to districts, university schools, or public
27 school academies shall not be made under this section. Rather, the

1 calculations under this section shall be used to determine the
2 amount of state payments under section 22b.

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

8 (25) As used in this section:

9 (a) "Certified mills" means the lesser of 18 mills or the
10 number of mills of school operating taxes levied by the district in
11 1993-94.

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

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

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

21 (e) "Immediately preceding state fiscal year" means the state
22 fiscal year immediately preceding the current state fiscal year.

23 (f) "Local school operating revenue" means school operating
24 taxes levied under section 1211 of the revised school code, MCL
25 380.1211.

26 (g) "Local school operating revenue per membership pupil"
27 means a district's local school operating revenue divided by the

1 district's membership excluding special education pupils.

2 (h) "Maximum public school academy allocation", except as
3 otherwise provided in this subdivision, means the maximum per-pupil
4 allocation as calculated by adding the highest per-pupil allocation
5 among all public school academies for the immediately preceding
6 state fiscal year plus the difference between twice the dollar
7 amount of the adjustment from the immediately preceding state
8 fiscal year to the current state fiscal year made in the basic
9 foundation allowance and [(the dollar amount of the adjustment from
10 the immediately preceding state fiscal year to the current state
11 fiscal year made in the basic foundation allowance minus \$20.00)
12 times (the difference between the highest per-pupil allocation
13 among all public school academies for the immediately preceding
14 state fiscal year and the sum of \$7,108.00 plus the total dollar
15 amount of all adjustments made from 2006-2007 to the immediately
16 preceding state fiscal year in the lowest per-pupil allocation
17 among all public school academies) divided by the difference
18 between the basic foundation allowance for the current state fiscal
19 year and the sum of \$7,108.00 plus the total dollar amount of all
20 adjustments made from 2006-2007 to the immediately preceding state
21 fiscal year in the lowest per-pupil allocation among all public
22 school academies]. For 2009-2010, maximum public school academy
23 allocation means \$7,580.00.

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

27 (j) "Nonexempt property" means property that is not a

1 principal residence, qualified agricultural property, qualified
2 forest property, industrial personal property, or commercial
3 personal property.

4 (k) "Principal residence", "qualified agricultural property",
5 "qualified forest property", "industrial personal property", and
6 "commercial personal property" mean those terms as defined in
7 section 7dd of the general property tax act, 1893 PA 206, MCL
8 211.7dd, and section 1211 of the revised school code, MCL 380.1211.

9 (l) "School operating purposes" means the purposes included in
10 the operation costs of the district as prescribed in sections 7 and
11 18.

12 (m) "School operating taxes" means local ad valorem property
13 taxes levied under section 1211 of the revised school code, MCL
14 380.1211, and retained for school operating purposes.

15 (n) "Tax increment financing acts" means 1975 PA 197, MCL
16 125.1651 to 125.1681, the tax increment finance authority act, 1980
17 PA 450, MCL 125.1801 to 125.1830, the local development financing
18 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
19 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
20 or the corridor improvement authority act, 2005 PA 280, MCL
21 125.2871 to 125.2899.

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

27 Sec. 94a. (1) There is created within the office of the state

1 budget director in the department of management and budget the
2 center for educational performance and information. The center
3 shall do all of the following:

4 (a) Coordinate the collection of all data required by state
5 and federal law from all entities receiving funds under this act.

6 (b) Collect data in the most efficient manner possible in
7 order to reduce the administrative burden on reporting entities.

8 (c) Establish procedures to ensure the reasonable validity and
9 reliability of the data and the collection process.

10 (d) Develop state and model local data collection policies,
11 including, but not limited to, policies that ensure the privacy of
12 individual student data. State privacy policies shall ensure that
13 student social security numbers are not released to the public for
14 any purpose.

15 (e) Provide data in a useful manner to allow state and local
16 policymakers to make informed policy decisions.

17 (f) Provide reports to the citizens of this state to allow
18 them to assess allocation of resources and the return on their
19 investment in the education system of this state.

20 (g) Assist all entities receiving funds under this act in
21 complying with audits performed according to generally accepted
22 accounting procedures.

23 (h) To the extent funding is available, coordinate the
24 electronic exchange of student records using a unique
25 identification numbering system among entities receiving funds
26 under this act and postsecondary institutions for students
27 participating in public education programs from preschool through

1 postsecondary education.

2 (I) WORK TOWARD THE DEVELOPMENT AND IMPLEMENTATION OF A SYSTEM
3 THAT LINKS INDIVIDUAL PUPIL PERFORMANCE DATA, USING THE UNIQUE
4 STUDENT IDENTIFIER FOR EACH PUPIL, WITH EACH OF THE PUPIL'S
5 INDIVIDUAL TEACHERS AND SCHOOL PRINCIPALS. IF NECESSARY TO
6 ACCOMPLISH THIS, THE CENTER SHALL DEVELOP A UNIQUE IDENTIFICATION
7 SYSTEM FOR TEACHERS AND SCHOOL PRINCIPALS.

8 (J) ~~(i)~~—Other functions as assigned by the state budget
9 director.

10 (2) Each state department, officer, or agency that collects
11 information from districts or intermediate districts as required
12 under state or federal law shall make arrangements with the center,
13 and with the districts or intermediate districts, to have the
14 center collect the information and to provide it to the department,
15 officer, or agency as necessary. To the extent that it does not
16 cause financial hardship, the center shall arrange to collect the
17 information in a manner that allows electronic submission of the
18 information to the center. Each affected state department, officer,
19 or agency shall provide the center with any details necessary for
20 the center to collect information as provided under this
21 subsection. This subsection does not apply to information collected
22 by the department of treasury under the uniform budgeting and
23 accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised
24 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the
25 school bond qualification, approval, and loan act, 2005 PA 92, MCL
26 388.1921 to 388.1939; or section 1351a of the revised school code,
27 MCL 380.1351a.

1 (3) The state budget director shall appoint a CEPI advisory
2 committee, consisting of the following members:

3 (a) One representative from the house fiscal agency.

4 (b) One representative from the senate fiscal agency.

5 (c) One representative from the office of the state budget
6 director.

7 (d) One representative from the state education agency.

8 (e) One representative each from the department of energy,
9 labor, and economic growth and the department of treasury.

10 (f) Three representatives from intermediate school districts.

11 (g) One representative from each of the following educational
12 organizations:

13 (i) Michigan association of school boards.

14 (ii) Michigan association of school administrators.

15 (iii) Michigan school business officials.

16 (h) One representative representing private sector firms
17 responsible for auditing school records.

18 (i) Other representatives as the state budget director
19 determines are necessary.

20 (4) The CEPI advisory committee appointed under subsection (3)
21 shall provide advice to the director of the center regarding the
22 management of the center's data collection activities, including,
23 but not limited to:

24 (a) Determining what data is necessary to collect and maintain
25 in order to perform the center's functions in the most efficient
26 manner possible.

27 (b) Defining the roles of all stakeholders in the data

1 collection system.

2 (c) Recommending timelines for the implementation and ongoing
3 collection of data.

4 (d) Establishing and maintaining data definitions, data
5 transmission protocols, and system specifications and procedures
6 for the efficient and accurate transmission and collection of data.

7 (e) Establishing and maintaining a process for ensuring the
8 reasonable accuracy of the data.

9 (f) Establishing and maintaining state and model local
10 policies related to data collection, including, but not limited to,
11 privacy policies related to individual student data.

12 (g) Ensuring the data is made available to state and local
13 policymakers and citizens of this state in the most useful format
14 possible.

15 (h) Other matters as determined by the state budget director
16 or the director of the center.

17 (5) The center may enter into any interlocal agreements
18 necessary to fulfill its functions.

19 (6) From the general fund appropriation in section 11, there
20 is allocated an amount not to exceed \$3,486,100.00 for 2009-2010 to
21 the department of management and budget to support the operations
22 of the center and the development and implementation of a
23 comprehensive longitudinal data collection management and reporting
24 system that includes student-level data. The center shall cooperate
25 with the state education agency to ensure that this state is in
26 compliance with federal law and is maximizing opportunities for
27 increased federal funding to improve education in this state. To

1 the extent that funding under this section allows, the center shall
2 collect data necessary to maximize federal funding under the
3 American recovery and reinvestment act of 2009, Public Law 111-5,
4 and other federal statutes, including data necessary to implement a
5 P-20 longitudinal data system. In addition, from the federal funds
6 appropriated in section 11 for 2009-2010, there is allocated the
7 amount necessary, estimated at \$2,793,200.00, in order to fulfill
8 federal reporting requirements.

9 (7) From the federal funds allocated in subsection (6), there
10 is allocated for 2009-2010 an amount not to exceed \$750,000.00
11 funded from the competitive grants of DED-OESE, title II,
12 educational technology funds for the purposes of this subsection.
13 Not later than November 30, 2008, the department shall award a
14 single grant to an eligible partnership that includes an
15 intermediate district with at least 1 high-need local school
16 district and the center.

17 (8) The center and the department shall work cooperatively to
18 develop a cost allocation plan that pays for center expenses from
19 the appropriate federal fund revenues.

20 (9) Funds allocated under this section that are not expended
21 in the fiscal year in which they were allocated may be carried
22 forward to a subsequent fiscal year.

23 (10) The center may bill departments as necessary in order to
24 fulfill reporting requirements of state and federal law. The center
25 may also enter into agreements to supply custom data, analysis, and
26 reporting to other principal executive departments, state agencies,
27 local units of government, and other individuals and organizations.

1 The center may receive and expend funds in addition to those
2 authorized in subsection (6) to cover the costs associated with
3 salaries, benefits, supplies, materials, and equipment necessary to
4 provide such data, analysis, and reporting services.

5 (11) As used in this section:

6 (a) "DED-OESE" means the United States department of education
7 office of elementary and secondary education.

8 (b) "High-need local school district" means a local
9 educational agency as defined in the enhancing education through
10 technology part of the no child left behind act of 2001, Public Law
11 107-110.

12 (c) "State education agency" means the department.