

**SUBSTITUTE FOR
SENATE BILL NO. 23**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 6 and 11 (MCL 388.1606 and 388.1611), as
amended by 2023 PA 103, and by adding section 61e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) "Center program" means a program operated by a
2 district or by an intermediate district for special education
3 pupils from several districts in programs for pupils with autism
4 spectrum disorder, pupils with severe cognitive impairment, pupils
5 with moderate cognitive impairment, pupils with severe multiple
6 impairments, pupils with hearing impairment, pupils with visual
7 impairment, and pupils with physical impairment or other health
8 impairment. Programs for pupils with emotional impairment housed in



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

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

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

21 (4) "Membership", except as otherwise provided in this
22 article, means for a district, a public school academy, or an
23 intermediate district the sum of the product of .90 times the
24 number of full-time equated pupils in grades K to 12 actually
25 enrolled and in regular daily attendance in the district, public
26 school academy, or intermediate district on the pupil membership
27 count day for the current school year, plus the product of .10
28 times the final audited count from the supplemental count day of
29 full-time equated pupils in grades K to 12 actually enrolled and in



1 regular daily attendance in the district, public school academy, or
2 intermediate district for the immediately preceding school year. A
3 district's, public school academy's, or intermediate district's
4 membership is adjusted as provided under section 25e for pupils who
5 enroll after the pupil membership count day in a strict discipline
6 academy operating under sections 1311b to 1311m of the revised
7 school code, MCL 380.1311b to 380.1311m. All pupil counts used in
8 this subsection are as determined by the department and calculated
9 by adding the number of pupils registered for attendance plus
10 pupils received by transfer and minus pupils lost as defined by
11 rules promulgated by the superintendent, and as corrected by a
12 subsequent department audit. The amount of the foundation allowance
13 for a pupil in membership is determined under section 20. In making
14 the calculation of membership, all of the following, as applicable,
15 apply to determining the membership of a district, a public school
16 academy, or an intermediate district:

17 (a) Except as otherwise provided in this subsection, and
18 pursuant to subsection (6), a pupil is counted in membership in the
19 pupil's educating district or districts. Except as otherwise
20 provided in this subsection, an individual pupil must not be
21 counted for more than a total of 1.0 full-time equated membership.

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



1 membership, the pupil is not counted in membership in any district.

2 (c) A special education pupil educated by the intermediate
3 district is counted in membership in the intermediate 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, is counted in membership in the district or
8 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 is counted in membership in the pupil's intermediate district
12 of residence.

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

19 (g) A pupil enrolled in a public school academy is counted in
20 membership in the public school academy.

21 (h) For the purposes of this section and section 6a, for a
22 cyber school, as that term is defined in section 551 of the revised
23 school code, MCL 380.551, that is in compliance with section 553a
24 of the revised school code, MCL 380.553a, a pupil's participation
25 in the cyber school's educational program is considered regular
26 daily attendance, and for a district or public school academy, a
27 pupil's participation in a virtual course as that term is defined
28 in section 21f is considered regular daily attendance. Beginning
29 July 1, 2021, this subdivision is subject to section 8c. It is the



1 intent of the legislature that the immediately preceding sentence
2 apply retroactively and is effective July 1, 2021. For the purposes
3 of this subdivision, for a pupil enrolled in a cyber school, all of
4 the following apply with regard to the participation requirement as
5 described in this subdivision:

6 (i) Except as otherwise provided in this subdivision, the pupil
7 shall participate in each scheduled course on pupil membership
8 count day or supplemental count day, as applicable. If the pupil is
9 absent on pupil membership count day or supplemental count day, as
10 applicable, the pupil must attend and participate in class during
11 the next 10 consecutive school days if the absence was unexcused,
12 or during the next 30 calendar days if the absence was excused.

13 (ii) For a pupil who is not learning sequentially, 1 or more of
14 the following must be met on pupil membership count day or
15 supplemental count day, as applicable, for each scheduled course to
16 satisfy the participation requirement under this subdivision:

17 (A) The pupil attended a live lesson from the teacher.

18 (B) The pupil logged into a lesson or lesson activity and the
19 login can be documented.

20 (C) The pupil and teacher engaged in a subject-oriented
21 telephone conversation.

22 (D) There is documentation of an email dialogue between the
23 pupil and teacher.

24 (E) There is documentation of activity or work between the
25 learning coach and pupil.

26 (F) An alternate form of attendance as determined and agreed
27 upon by the cyber school and the pupil membership auditor was met.

28 (iii) For a pupil using sequential learning, the participation
29 requirement under this subdivision is satisfied if either of the



1 following occurs:

2 (A) Except as otherwise provided in this sub-subparagraph, the
3 pupil and the teacher of record or mentor complete a 2-way
4 interaction for 1 course during the week on which pupil membership
5 count day or supplemental count day, as applicable, occurs, and the
6 3 consecutive weeks following that week. However, if a school break
7 is scheduled during any of the weeks described in this sub-
8 subparagraph that is 4 or more days in length or instruction has
9 been canceled districtwide during any of the weeks described in
10 this sub-subparagraph for 3 or more school days, the district is
11 not required to ensure that the pupil and the teacher of record or
12 mentor completed a 2-way interaction for that week. As used in this
13 sub-subparagraph:

14 (I) "2-way interaction" means the communication that occurs
15 between the teacher of record or mentor and pupil, where 1 party
16 initiates communication and a response from the other party follows
17 that communication. Responses as described in this sub-sub-
18 subparagraph must be to the communication initiated by the teacher
19 of record or mentor, and not some other action taken. This
20 interaction may occur through, but is not limited to, means such as
21 email, telephone, instant messaging, or face-to-face conversation.
22 A parent- or legal-guardian-facilitated 2-way interaction is
23 considered a 2-way interaction if the pupil is in any of grades K
24 to 5 and does not yet possess the skills necessary to participate
25 in 2-way interactions unassisted. The interactions described in
26 this sub-sub-subparagraph must relate to a virtual course on the
27 pupil's schedule and pertain to course content or progress.

28 (II) "Mentor" means a professional employee of the district
29 who monitors the pupil's progress, ensures the pupil has access to



1 needed technology, is available for assistance, and ensures access
2 to the teacher of record. A mentor may also be the teacher of
3 record if the mentor meets the definition of a teacher of record
4 under this sub-subparagraph and the district is the provider for
5 the course.

6 (III) "Teacher of record" means a teacher to whom all of the
7 following apply:

8 (1) The teacher is responsible for providing instruction,
9 determining instructional methods for each pupil, diagnosing
10 learning needs, assessing pupil learning, prescribing intervention
11 strategies and modifying lessons, reporting outcomes, and
12 evaluating the effects of instruction and support strategies. The
13 teacher of record may coordinate the distribution and assignment of
14 the responsibilities described in this sub-sub-sub-subparagraph
15 with other teachers participating in the instructional process for
16 a course.

17 (2) The teacher is certified for the grade level or is working
18 under a valid substitute permit, authorization, or approval issued
19 by the department.

20 (3) The teacher has a personnel identification code provided
21 by the center.

22 (IV) "Week" means a period that starts on Wednesday and ends
23 the following Tuesday.

24 (B) The pupil completes a combination of 1 or more of the
25 following activities for each scheduled course on pupil membership
26 count day or supplemental count day, as applicable:

27 (I) Documented attendance in a virtual course where
28 synchronous, live instruction occurred with the teacher.

29 (II) Documented completion of a course assignment.



1 (III) Documented completion of a course lesson or lesson
2 activity.

3 (IV) Documented pupil access to an ongoing lesson, which does
4 not include a login.

5 (V) Documented physical attendance on pupil membership count
6 day or supplemental count day, as applicable, in each scheduled
7 course, if the pupil will attend at least 50% of the instructional
8 time for each scheduled course on-site, face-to-face with the
9 teacher of record. As used in this sub-sub-subparagraph, "teacher
10 of record" means that term as defined in subparagraph (iii) (A).

11 (iv) For purposes of subparagraph (iii), each scheduled course
12 currently being attempted by the pupil, rather than every course on
13 the pupil's schedule for the entire term, is considered a part of
14 each scheduled course for the pupil.

15 (i) For a new district or public school academy beginning its
16 operation after December 31, 1994, membership for the first 2 full
17 or partial fiscal years of operation is determined as follows:

18 (i) If operations begin before the pupil membership count day
19 for the fiscal year, membership is the average number of full-time
20 equated pupils in grades K to 12 actually enrolled and in regular
21 daily attendance on the pupil membership count day for the current
22 school year and on the supplemental count day for the current
23 school year, as determined by the department and calculated by
24 adding the number of pupils registered for attendance on the pupil
25 membership count day plus pupils received by transfer and minus
26 pupils lost as defined by rules promulgated by the superintendent,
27 and as corrected by a subsequent department audit, plus the final
28 audited count from the supplemental count day for the current
29 school year, and dividing that sum by 2.



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

7 (j) If a district is the authorizing body for a public school
8 academy, then, in the first school year in which pupils are counted
9 in membership on the pupil membership count day in the public
10 school academy, the determination of the district's membership
11 excludes from the district's pupil count for the immediately
12 preceding supplemental count day any pupils who are counted in the
13 public school academy on that first pupil membership count day who
14 were also counted in the district on the immediately preceding
15 supplemental count day.

16 (k) For an extended school year program approved by the
17 superintendent, a pupil enrolled, but not scheduled to be in
18 regular daily attendance, on a pupil membership count day, is
19 counted in membership.

20 (l) To be counted in membership, a pupil must meet the minimum
21 age requirement to be eligible to attend school under section 1147
22 of the revised school code, MCL 380.1147, and must be less than 20
23 years of age on September 1 of the school year except as follows:

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

29 (ii) A pupil who is determined by the department to meet all of



1 the following may be counted in membership:

2 (A) Is enrolled in a public school academy or an alternative
3 education high school diploma program, that is primarily focused on
4 educating pupils with extreme barriers to education, such as being
5 homeless as that term is defined under 42 USC 11302.

6 (B) Had dropped out of school.

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

9 (iii) If a child does not meet the minimum age requirement to be
10 eligible to attend school for that school year under section 1147
11 of the revised school code, MCL 380.1147, but will be 5 years of
12 age not later than December 1 of that school year, the district may
13 count the child in membership for that school year if the parent or
14 legal guardian has notified the district in writing that the parent
15 or legal guardian intends to enroll the child in kindergarten for
16 that school year.

17 (m) An individual who has achieved a high school diploma is
18 not counted in membership. An individual who has achieved a high
19 school equivalency certificate is not counted in membership unless
20 the individual is a student with a disability as that term is
21 defined in R 340.1702 of the Michigan Administrative Code. An
22 individual participating in a job training program funded under
23 former section 107a or a jobs program funded under former section
24 107b, administered by the department of labor and economic
25 opportunity, or participating in any successor of either of those 2
26 programs, is not counted in membership.

27 (n) If a pupil counted in membership in a public school
28 academy is also educated by a district or intermediate district as
29 part of a cooperative education program, the pupil is counted in



1 membership only in the public school academy unless a written
2 agreement signed by all parties designates the party or parties in
3 which the pupil is counted in membership, and the instructional
4 time scheduled for the pupil in the district or intermediate
5 district is included in the full-time equated membership
6 determination under subdivision (q) and section 101. However, for
7 pupils receiving instruction in both a public school academy and in
8 a district or intermediate district but not as a part of a
9 cooperative education program, the following apply:

10 (i) If the public school academy provides instruction for at
11 least 1/2 of the class hours required under section 101, the public
12 school academy receives as its prorated share of the full-time
13 equated membership for each of those pupils an amount equal to 1
14 times the product of the hours of instruction the public school
15 academy provides divided by the number of hours required under
16 section 101 for full-time equivalency, and the remainder of the
17 full-time membership for each of those pupils is allocated to the
18 district or intermediate district providing the remainder of the
19 hours of instruction.

20 (ii) If the public school academy provides instruction for less
21 than 1/2 of the class hours required under section 101, the
22 district or intermediate district providing the remainder of the
23 hours of instruction receives as its prorated share of the full-
24 time equated membership for each of those pupils an amount equal to
25 1 times the product of the hours of instruction the district or
26 intermediate district provides divided by the number of hours
27 required under section 101 for full-time equivalency, and the
28 remainder of the full-time membership for each of those pupils is
29 allocated to the public school academy.



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

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

8 (q) The number of class hours used to calculate full-time
9 equated memberships must be consistent with section 101. In
10 determining full-time equated memberships for pupils who are
11 enrolled in a postsecondary institution or for pupils engaged in an
12 internship or work experience under section 1279h of the revised
13 school code, MCL 380.1279h, a pupil is not considered to be less
14 than a full-time equated pupil solely because of the effect of the
15 pupil's postsecondary enrollment or engagement in the internship or
16 work experience, including necessary travel time, on the number of
17 class hours provided by the district to the pupil.

18 (r) Full-time equated memberships for pupils in kindergarten
19 are determined by dividing the number of instructional hours
20 scheduled and provided per year per kindergarten pupil by the same
21 number used for determining full-time equated memberships for
22 pupils in grades 1 to 12. However, to the extent allowable under
23 federal law, for a district or public school academy that provides
24 evidence satisfactory to the department that it used federal title
25 I money in the 2 immediately preceding school fiscal years to fund
26 full-time kindergarten, full-time equated memberships for pupils in
27 kindergarten are determined by dividing the number of class hours
28 scheduled and provided per year per kindergarten pupil by a number
29 equal to 1/2 the number used for determining full-time equated



1 memberships for pupils in grades 1 to 12. The change in the
2 counting of full-time equated memberships for pupils in
3 kindergarten that took effect for 2012-2013 is not a mandate.

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

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

21 (u) If, as a result of a disciplinary action, a district
22 determines through the district's alternative or disciplinary
23 education program that the best instructional placement for a pupil
24 is in the pupil's home or otherwise apart from the general school
25 population, if that placement is authorized in writing by the
26 district superintendent and district alternative or disciplinary
27 education supervisor, and if the district provides appropriate
28 instruction as described in this subdivision to the pupil at the
29 pupil's home or otherwise apart from the general school population,



1 the district may count the pupil in membership on a pro rata basis,
2 with the proration based on the number of hours of instruction the
3 district actually provides to the pupil divided by the number of
4 hours required under section 101 for full-time equivalency. For the
5 purposes of this subdivision, a district is considered to be
6 providing appropriate instruction if all of the following are met:

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

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

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

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

18 (v) If a pupil was enrolled in a public school academy on the
19 pupil membership count day, if the public school academy's contract
20 with its authorizing body is revoked or the public school academy
21 otherwise ceases to operate, and if the pupil enrolls in a district
22 within 45 days after the pupil membership count day, the department
23 shall adjust the district's pupil count for the pupil membership
24 count day to include the pupil in the count.

25 (w) For a public school academy that has been in operation for
26 at least 2 years and that suspended operations for at least 1
27 semester and is resuming operations, membership is the sum of the
28 product of .90 times the number of full-time equated pupils in
29 grades K to 12 actually enrolled and in regular daily attendance on



1 the first pupil membership count day or supplemental count day,
 2 whichever is first, occurring after operations resume, plus the
 3 product of .10 times the final audited count from the most recent
 4 pupil membership count day or supplemental count day that occurred
 5 before suspending operations, as determined by the superintendent.

6 (x) If a district's membership for a particular fiscal year,
 7 as otherwise calculated under this subsection, would be less than
 8 1,550 pupils, the district has 4.5 or fewer pupils per square mile,
 9 as determined by the department, and the district does not receive
 10 funding under section 22d(2), the district's membership is
 11 considered to be the membership figure calculated under this
 12 subdivision. If a district educates and counts in its membership
 13 pupils in grades 9 to 12 who reside in a contiguous district that
 14 does not operate grades 9 to 12 and if 1 or both of the affected
 15 districts request the department to use the determination allowed
 16 under this sentence, the department shall include the square
 17 mileage of both districts in determining the number of pupils per
 18 square mile for each of the districts for the purposes of this
 19 subdivision. If a district has established a community engagement
 20 advisory committee in partnership with the department of treasury,
 21 is required to submit a deficit elimination plan or an enhanced
 22 deficit elimination plan under section 1220 of the revised school
 23 code, MCL 380.1220, and is located in a city with a population
 24 between 9,000 and 11,000, as determined by the department, that is
 25 in a county with a population between 150,000 and 160,000, as
 26 determined by the department, the district's membership is
 27 considered to be the membership figure calculated under this
 28 subdivision. The membership figure calculated under this
 29 subdivision is the greater of the following:



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

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

8 (y) Full-time equated memberships for special education pupils
 9 who are not enrolled in kindergarten but are enrolled in a
 10 classroom program under R 340.1754 of the Michigan Administrative
 11 Code are determined by dividing the number of class hours scheduled
 12 and provided per year by 450. Full-time equated memberships for
 13 special education pupils who are not enrolled in kindergarten but
 14 are receiving early childhood special education services under R
 15 340.1755 or R 340.1862 of the Michigan Administrative Code are
 16 determined by dividing the number of hours of service scheduled and
 17 provided per year per pupil by 180.

18 (z) A pupil of a district that begins its school year after
 19 Labor Day who is enrolled in an intermediate district program that
 20 begins before Labor Day is not considered to be less than a full-
 21 time pupil solely due to instructional time scheduled but not
 22 attended by the pupil before Labor Day.

23 (aa) For the first year in which a pupil is counted in
 24 membership on the pupil membership count day in a middle college
 25 program, the membership is the average of the full-time equated
 26 membership on the pupil membership count day and on the
 27 supplemental count day for the current school year, as determined
 28 by the department. If a pupil described in this subdivision was
 29 counted in membership by the operating district on the immediately



1 preceding supplemental count day, the pupil is excluded from the
2 district's immediately preceding supplemental count for the
3 purposes of determining the district's membership.

4 (bb) A district or public school academy that educates a pupil
5 who attends a United States Olympic Education Center may count the
6 pupil in membership regardless of whether or not the pupil is a
7 resident of this state.

8 (cc) A pupil enrolled in a district other than the pupil's
9 district of residence under section 1148(2) of the revised school
10 code, MCL 380.1148, is counted in the educating district.

11 (dd) For a pupil enrolled in a dropout recovery program that
12 meets the requirements of section 23a, the pupil is counted as 1/12
13 of a full-time equated membership for each month that the district
14 operating the program reports that the pupil was enrolled in the
15 program and was in full attendance. However, if the special
16 membership counting provisions under this subdivision and the
17 operation of the other membership counting provisions under this
18 subsection result in a pupil being counted as more than 1.0 FTE in
19 a fiscal year, the payment made for the pupil under sections 22a
20 and 22b must not be based on more than 1.0 FTE for that pupil, and
21 any portion of an FTE for that pupil that exceeds 1.0 is instead
22 paid under section 25g. The district operating the program shall
23 report to the center the number of pupils who were enrolled in the
24 program and were in full attendance for a month not later than 30
25 days after the end of the month. A district shall not report a
26 pupil as being in full attendance for a month unless both of the
27 following are met:

28 (i) A personalized learning plan is in place on or before the
29 first school day of the month for the first month the pupil



1 participates in the program.

2 (ii) The pupil meets the district's definition under section
3 23a of satisfactory monthly progress for that month or, if the
4 pupil does not meet that definition of satisfactory monthly
5 progress for that month, the pupil did meet that definition of
6 satisfactory monthly progress in the immediately preceding month
7 and appropriate interventions, as defined by the district, are
8 implemented within 10 school days after it is determined that the
9 pupil does not meet that definition of satisfactory monthly
10 progress.

11 (ee) A pupil participating in a virtual course under section
12 21f is counted in membership in the district enrolling the pupil.

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

23 (gg) If a special education pupil is expelled under section
24 1311 or 1311a of the revised school code, MCL 380.1311 and
25 380.1311a, and is not in attendance on the pupil membership count
26 day because of the expulsion, and if the pupil remains enrolled in
27 the district and resumes regular daily attendance during that
28 school year, the district's membership is adjusted to count the
29 pupil in membership as if the pupil had been in attendance on the



1 pupil membership count day.

2 (hh) A pupil enrolled in a community district is counted in
3 membership in the community district.

4 (ii) A part-time pupil enrolled in a nonpublic school in
5 grades K to 12 in accordance with section 166b must not be counted
6 as more than 0.75 of a full-time equated membership.

7 (jj) A district that borders another state or a public school
8 academy that operates at least grades 9 to 12 and is located within
9 20 miles of a border with another state may count in membership a
10 pupil who is enrolled in a course at a college or university that
11 is located in the bordering state and within 20 miles of the border
12 with this state if all of the following are met:

13 (i) The pupil would meet the definition of an eligible student
14 under the postsecondary enrollment options act, 1996 PA 160, MCL
15 388.511 to 388.524, if the course were an eligible course under
16 that act.

17 (ii) The course in which the pupil is enrolled would meet the
18 definition of an eligible course under the postsecondary enrollment
19 options act, 1996 PA 160, MCL 388.511 to 388.524, if the course
20 were provided by an eligible postsecondary institution under that
21 act.

22 (iii) The department determines that the college or university
23 is an institution that, in the other state, fulfills a function
24 comparable to a state university or community college, as those
25 terms are defined in section 3 of the postsecondary enrollment
26 options act, 1996 PA 160, MCL 388.513, or is an independent
27 nonprofit degree-granting college or university.

28 (iv) The district or public school academy pays for a portion
29 of the pupil's tuition at the college or university in an amount



1 equal to the eligible charges that the district or public school
 2 academy would pay to an eligible postsecondary institution under
 3 the postsecondary enrollment options act, 1996 PA 160, MCL 388.511
 4 to 388.524, as if the course were an eligible course under that
 5 act.

6 (v) The district or public school academy awards high school
 7 credit to a pupil who successfully completes a course as described
 8 in this subdivision.

9 (kk) A pupil enrolled in a middle college program may be
 10 counted for more than a total of 1.0 full-time equated membership
 11 for any of the school years in which the pupil is enrolled in the
 12 middle college program, but the total full-time equated membership
 13 for that pupil for all of the school years in which the pupil is
 14 enrolled in high school must not be greater than 5.00 full-time
 15 equated membership if the pupil is enrolled in more than the
 16 minimum number of instructional days and hours required under
 17 section 101 and the pupil is expected to complete the 5-year
 18 program with both a high school diploma and at least 60
 19 transferable college credits or is expected to earn an associate's
 20 degree in fewer than 5 years. A pupil who graduates with both a
 21 high school diploma and at least 60 transferable college credits or
 22 an associate degree at least 1 semester early is considered to have
 23 completed the middle college program in fewer than 5 years.

24 (ll) If a district's or public school academy's membership for
 25 a particular fiscal year, as otherwise calculated under this
 26 subsection, includes pupils counted in membership who are enrolled
 27 under section 166b, all of the following apply for the purposes of
 28 this subdivision:

29 (i) If the district's or public school academy's membership for



1 pupils counted under section 166b equals or exceeds 5% of the
2 district's or public school academy's membership for pupils not
3 counted in membership under section 166b in the immediately
4 preceding fiscal year, then the growth in the district's or public
5 school academy's membership for pupils counted under section 166b
6 must not exceed 10%.

7 (ii) If the district's or public school academy's membership
8 for pupils counted under section 166b is less than 5% of the
9 district's or public school academy's membership for pupils not
10 counted in membership under section 166b in the immediately
11 preceding fiscal year, then the district's or public school
12 academy's membership for pupils counted under section 166b must not
13 exceed the greater of the following:

14 (A) Five percent of the district's or public school academy's
15 membership for pupils not counted in membership under section 166b.

16 (B) Ten percent more than the district's or public school
17 academy's membership for pupils counted under section 166b in the
18 immediately preceding fiscal year.

19 (iii) If 1 or more districts consolidate or are parties to an
20 annexation, then the calculations under subparagraphs (i) and (ii)
21 must be applied to the combined total membership for pupils counted
22 in those districts for the fiscal year immediately preceding the
23 consolidation or annexation.

24 **(mm) Notwithstanding any other provision of this act to the**
25 **contrary, a pupil who participates in a work-based learning**
26 **experience or a work-based learning experience related to a state-**
27 **approved career and technical education program may be counted as**
28 **not more than 0.75 full-time equated membership in addition to the**
29 **membership related to the pupil's concurrent enrollment in high**



1 school courses, not to exceed a total of 1.0 full-time equated
2 membership. The department shall not promulgate or enforce a rule
3 that requires that a pupil described in this subdivision be counted
4 as less than 0.75 full-time equated membership. However, a district
5 may calculate a pupil's participation in a work-based learning
6 experience or a work-based learning experience related to a state-
7 approved career and technical education program in an amount that
8 is less than 0.75 full-time equated membership to ensure that the
9 pupil is able to meet the district's graduation requirements on
10 time. As used in this subdivision:

11 (i) "Work-based learning experience" means a learning
12 experience that is coordinated by a district or public school
13 academy through a training agreement with an employer providing a
14 paid or unpaid educational experience relating to school
15 instruction that may be offered as part of the pupil's schedule.

16 (ii) "Work-based learning experience related to a state-
17 approved career and technical education program" means a learning
18 experience related to a state-approved career and technical
19 education program that is coordinated by a district or public
20 school academy through a training agreement with an employer
21 providing an educational experience relating to school instruction
22 that may be offered as part of the pupil's schedule.

23 (5) "Public school academy" means that term as defined in
24 section 5 of the revised school code, MCL 380.5.

25 (6) "Pupil" means an individual in membership in a public
26 school. A district must have the approval of the pupil's district
27 of residence to count the pupil in membership, except approval by
28 the pupil's district of residence is not required for any of the
29 following:



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

3 (b) A pupil receiving 1/2 or less of the pupil's instruction
4 in a district other than the pupil's district of residence.

5 (c) A pupil enrolled in a public school academy.

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

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

23 (i) "At school" means in a classroom, elsewhere on school
24 premises, on a school bus or other school-related vehicle, or at a
25 school-sponsored activity or event whether or not it is held on
26 school premises.

27 (ii) "Serious assault" means an act that constitutes a felony
28 violation of chapter XI of the Michigan penal code, 1931 PA 328,
29 MCL 750.81 to 750.90h, or that constitutes an assault and



1 infliction of serious or aggravated injury under section 81a of the
2 Michigan penal code, 1931 PA 328, MCL 750.81a.

3 (f) A pupil whose district of residence changed after the
4 pupil membership count day and before the supplemental count day
5 and who continues to be enrolled on the supplemental count day as a
6 nonresident in the district in which the pupil was enrolled as a
7 resident on the pupil membership count day of the same school year.

8 (g) A pupil enrolled in an alternative education program
9 operated by a district other than the pupil's district of residence
10 who meets 1 or more of the following:

11 (i) The pupil has been suspended or expelled from the pupil's
12 district of residence for any reason, including, but not limited
13 to, a suspension or expulsion under section 1310, 1311, or 1311a of
14 the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

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

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

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

18 (h) A pupil enrolled in the Michigan Virtual School, for the
19 pupil's enrollment in the Michigan Virtual School.

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

26 (j) An expelled pupil who has been denied reinstatement by the
27 expelling district and is reinstated by another school board under
28 section 1311 or 1311a of the revised school code, MCL 380.1311 and
29 380.1311a.



1 (k) A pupil enrolled in a district other than the pupil's
 2 district of residence in a middle college program if the pupil's
 3 district of residence and the enrolling district are both
 4 constituent districts of the same intermediate district.

5 (l) A pupil enrolled in a district other than the pupil's
 6 district of residence who attends a United States Olympic Education
 7 Center.

8 (m) A pupil enrolled in a district other than the pupil's
 9 district of residence under section 1148(2) of the revised school
 10 code, MCL 380.1148.

11 (n) A pupil who enrolls in a district other than the pupil's
 12 district of residence as a result of the pupil's school not making
 13 adequate yearly progress under the no child left behind act of
 14 2001, Public Law 107-110, or the every student succeeds act, Public
 15 Law 114-95.

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

22 (7) "Pupil membership count day" of a district or intermediate
 23 district means:

24 (a) Except as provided in subdivision (b) or (c), either of
 25 the following:

26 (i) The first Wednesday in October each school year.

27 (ii) For a district or building in which school is not in
 28 session on the Wednesday described in subparagraph (i) due to
 29 conditions not within the control of school authorities, with the



1 approval of the superintendent, the immediately following day on
2 which school is in session in the district or building.

3 (b) Except as otherwise provided in subdivision (c), for a
4 district or intermediate district maintaining school during the
5 entire school year, the following days:

6 (i) Fourth Wednesday in July.

7 (ii) First Wednesday in October.

8 (iii) Second Wednesday in February.

9 (iv) Fourth Wednesday in April.

10 (c) If a date listed in subdivision (a) or (b) is on a day of
11 religious or cultural significance, as determined by the district
12 or intermediate district, the immediately following day on which
13 school is in session in the district or building.

14 (8) "Pupils in grades K to 12 actually enrolled and in regular
15 daily attendance" means, except as otherwise provided in this
16 section, pupils in grades K to 12 in attendance and receiving
17 instruction in all classes for which they are enrolled on the pupil
18 membership count day or the supplemental count day, as applicable.
19 Except as otherwise provided in this section and subsection, a
20 pupil who is absent from any of the classes in which the pupil is
21 enrolled on the pupil membership count day or supplemental count
22 day and who does not attend each of those classes during the 10
23 consecutive school days immediately following the pupil membership
24 count day or supplemental count day, except for a pupil who has
25 been excused by the district, is not counted as 1.0 full-time
26 equated membership. Except as otherwise provided in this section, a
27 pupil who is excused from attendance on the pupil membership count
28 day or supplemental count day and who fails to attend each of the
29 classes in which the pupil is enrolled within 30 calendar days



1 after the pupil membership count day or supplemental count day is
 2 not counted as 1.0 full-time equated membership. Except as
 3 otherwise provided in this section, in addition, a pupil who was
 4 enrolled and in attendance in a district, intermediate district, or
 5 public school academy before the pupil membership count day or
 6 supplemental count day of a particular year but was expelled or
 7 suspended on the pupil membership count day or supplemental count
 8 day is only counted as 1.0 full-time equated membership if the
 9 pupil resumed attendance in the district, intermediate district, or
 10 public school academy within 45 days after the pupil membership
 11 count day or supplemental count day of that particular year. Except
 12 as otherwise provided in this section, a pupil not counted as 1.0
 13 full-time equated membership due to an absence from a class is
 14 counted as a prorated membership for the classes the pupil
 15 attended. For purposes of this subsection:

16 (a) "Appropriately placed" means holding a valid Michigan
 17 educator credential with the required grade range and discipline or
 18 subject area for the assignment, as defined by the superintendent
 19 of public instruction.

20 (b) "Class" means either of the following, as applicable:

21 (i) A period of time in 1 day when pupils and an individual who
 22 is appropriately placed under a valid certificate, substitute
 23 permit, authorization, or approval issued by the department, are
 24 together and instruction is taking place. This subdivision does not
 25 apply for the 2020-2021, 2021-2022, 2022-2023, and 2023-2024 school
 26 years.

27 (ii) For the 2020-2021, 2021-2022, 2022-2023, and 2023-2024
 28 school years only, a period of time in 1 day when pupils and a
 29 certificated teacher, a teacher engaged to teach under section



1 1233b of the revised school code, MCL 380.1233b, or an individual
2 working under a valid substitute permit, authorization, or approval
3 issued by the department are together and instruction is taking
4 place.

5 (9) "Rule" means a rule promulgated pursuant to the
6 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
7 24.328.

8 (10) "The revised school code" means the revised school code,
9 1976 PA 451, MCL 380.1 to 380.1852.

10 (11) "School district of the first class", "first class school
11 district", and "district of the first class" mean, for the purposes
12 of this article only, a district that had at least 40,000 pupils in
13 membership for the immediately preceding fiscal year.

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

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

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

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

23 (16) "Tuition pupil" means a pupil of school age attending
24 school in a district other than the pupil's district of residence
25 for whom tuition may be charged to the district of residence.
26 Tuition pupil does not include a pupil who is a special education
27 pupil, a pupil described in subsection (6)(d) to (n), or a pupil
28 whose parent or guardian voluntarily enrolls the pupil in a
29 district that is not the pupil's district of residence. A pupil's



1 district of residence shall not require a high school tuition
 2 pupil, as provided under section 111, to attend another school
 3 district after the pupil has been assigned to a school district.

4 (17) "State school aid fund" means the state school aid fund
 5 established in section 11 of article IX of the state constitution
 6 of 1963.

7 (18) "Taxable value" means, except as otherwise provided in
 8 this article, the taxable value of property as determined under
 9 section 27a of the general property tax act, 1893 PA 206, MCL
 10 211.27a.

11 (19) "Textbook" means a book, electronic book, or other
 12 instructional print or electronic resource that is selected and
 13 approved by the governing board of a district and that contains a
 14 presentation of principles of a subject, or that is a literary work
 15 relevant to the study of a subject required for the use of
 16 classroom pupils, or another type of course material that forms the
 17 basis of classroom instruction.

18 (20) "Total state aid" or "total state school aid", except as
 19 otherwise provided in this article, means the total combined amount
 20 of all funds due to a district, intermediate district, or other
 21 entity under this article.

22 Sec. 11. (1) For the fiscal year ending September 30, 2023,
 23 there is appropriated for the public schools of this state and
 24 certain other state purposes relating to education the sum of
 25 \$17,270,268,900.00 from the state school aid fund, the sum of
 26 \$124,350,000.00 from the general fund, an amount not to exceed
 27 \$72,000,000.00 from the community district education trust fund
 28 created under section 12 of the Michigan trust fund act, 2000 PA
 29 489, MCL 12.262, an amount not to exceed \$200,000.00 from the



1 school transportation fund created under section 22k, an amount not
 2 to exceed \$25,000,000.00 from the school meals reserve fund created
 3 under section 30e, and an amount not to exceed \$140,400,000.00 from
 4 the MPSERS retirement obligation reform reserve fund created under
 5 section 147b. For the fiscal year ending September 30, 2024, there
 6 is appropriated for the public schools of this state and certain
 7 other state purposes relating to education the sum of
 8 ~~\$18,364,157,800.00~~ **\$18,365,557,800.00** from the state school aid
 9 fund, the sum of \$87,900,000.00 from the general fund, an amount
 10 not to exceed \$72,000,000.00 from the community district education
 11 trust fund created under section 12 of the Michigan trust fund act,
 12 2000 PA 489, MCL 12.262, an amount not to exceed \$245,000,000.00
 13 from the school consolidation and infrastructure fund created under
 14 section 11x, an amount not to exceed \$125,000,000.00 from the
 15 school transportation fund created under section 22k, an amount not
 16 to exceed \$71,000,000.00 from the enrollment stabilization fund
 17 created under section 29, an amount not to exceed \$60,000,000.00
 18 from the school meals reserve fund created under section 30e, an
 19 amount not to exceed \$18,000,000.00 from the great start readiness
 20 program reserve fund created under section 32e, and an amount not
 21 to exceed \$215,800,000.00 from the MPSERS retirement obligation
 22 reform reserve fund created under section 147b. In addition, all
 23 available federal funds are only appropriated as allocated in this
 24 article for the fiscal years ending September 30, 2023 and
 25 September 30, 2024.

26 (2) The appropriations under this section are allocated as
 27 provided in this article. Money appropriated under this section
 28 from the general fund must be expended to fund the purposes of this
 29 article before the expenditure of money appropriated under this



1 section from the state school aid fund.

2 (3) Any general fund allocations under this article that are
3 not expended by the end of the fiscal year are transferred to the
4 school aid stabilization fund created under section 11a.

5 **Sec. 61e. (1) From the state school aid fund money**
6 **appropriated in section 11, there is allocated \$2,000,000.00 for**
7 **2023-2024 for competitive grants to districts for the payment of**
8 **extra costs incurred by the districts with regard to pupils who**
9 **participate in work-based learning experiences or work-based**
10 **learning experiences related to a state-approved career and**
11 **technical education program during those pupils' enrollment in a**
12 **high school at the district.**

13 (2) To receive a competitive grant under this section, a
14 district must apply for the grant in a form and manner prescribed
15 by the department.

16 (3) As used in this section, "work-based learning experience"
17 and "work-based learning experience related to a state-approved
18 career and technical education program" mean those terms as defined
19 in section 6(4) (mm) .

20 Enacting section 1. In accordance with section 30 of article
21 IX of the state constitution of 1963, total state spending on
22 school aid under article I of the state school aid act of 1979,
23 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2022 PA 144,
24 2022 PA 212, 2023 PA 3, and 2023 PA 103, from state sources for
25 fiscal year 2022-2023 is estimated at \$17,632,218,900.00 and state
26 appropriations for school aid to be paid to local units of
27 government for fiscal year 2022-2023 are estimated at
28 \$16,036,571,400.00. In accordance with section 30 of article IX of
29 the state constitution of 1963, total state spending on school aid



1 under article I of the state school aid act of 1979, 1979 PA 94,
2 MCL 388.1601 to 388.1772, as amended by 2023 PA 103 and this
3 amendatory act, from state sources for fiscal year 2023-2024 is
4 estimated at \$19,260,257,800.00 and state appropriations for school
5 aid to be paid to local units of government for fiscal year 2023-
6 2024 are estimated at \$17,624,088,000.00.

