

# HOUSE BILL No. 5219

October 24, 1989, Introduced by Reps. Jaye, Dunaskiss, Law, Willis Bullard, Honigman, Walberg, DeBeaussaert, Sparks, Munsell, Power and London and referred to the Committee on Taxation.

A bill to amend section 21 of Act No. 94 of the Public Acts of 1979, entitled as amended

"The state school aid act of 1979,"

as amended by Act No. 197 of the Public Acts of 1989, being section 388.1621 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 21 of Act No. 94 of the Public Acts of  
2 1979, as amended by Act No. 197 of the Public Acts of 1989, being  
3 section 388.1621 of the Michigan Compiled Laws, is amended to  
4 read as follows:

5       Sec. 21. (1) Except as otherwise provided in this act AND  
6 SUBJECT TO THE BALANCE OF THIS SECTION, from the amount appropri-  
7 ated in section 11, there is allocated to each district an amount  
8 per membership pupil sufficient to guarantee the district for  
9 1989-90 a combined state-local yield or gross allowance of

1 \$266.00 plus \$83.61 for each mill of operating tax levied. For  
2 purposes of this section, only taxes levied for purposes included  
3 in the operation cost of the district as prescribed in section 7  
4 shall be considered operating tax. The net allocation for each  
5 district shall be an amount per membership pupil computed by  
6 subtracting~~—~~ from the gross allowance guaranteed the  
7 district~~—~~ the product of the district's state equalized valua-  
8 tion behind each membership pupil and the millage utilized for  
9 computing the gross allowance.

10 An additional \$30.00 per pupil in gross allowance shall be  
11 allocated to any district that satisfies the requirements speci-  
12 fied in subdivisions (a) and (b).

13 (a) The district requires pupils to have completed as a con-  
14 dition for graduation in 1991-92 all of the following:

15 (i) A total of 10 years of English or communication skills,  
16 mathematics, science, and social science, with not less than 2  
17 years of each subject specified in this subparagraph.

18 (ii) One year of health, ~~or~~ consumer home economics,  
19 essential health and living skills, or physical education, or any  
20 combination thereof.

21 (iii) One year of fine or performing arts, foreign language,  
22 or ~~or~~ vocational education or practical arts, or any combina-  
23 tion thereof.

24 (iv) One semester of computer education or the equivalent,  
25 which may be demonstrated by the passage of an appropriate com-  
26 puter competency test, as approved by the department.

1        If a class taught in a district reasonably falls within more  
2 than 1 of the subject categories listed in subparagraphs (i) to  
3 (iv), the district may determine which subject category the class  
4 falls within as long as teacher certification requirements are  
5 not violated.

6        (b) The district provides for its pupils in grades 9 through  
7 12 six classes, each consisting of at least 50 minutes of class-  
8 room instruction or a total of not less than 300 minutes of  
9 classroom instruction. In either case, at least 30% of the  
10 pupils in grades 9 through 12 shall be enrolled in the sixth  
11 period, with the sixth period being a class of an academic nature  
12 that normally would be credited toward high school graduation.  
13 This subdivision does not apply to pupils in grade 9 who do not  
14 attend classes in the same building as pupils in grades 10  
15 through 12.

16        The department may waive the requirements of subdivision (b)  
17 for a district with unusual circumstances that is making a good  
18 faith effort to comply with this subdivision and has a plan in  
19 place to meet the requirements during the following year.

20        In order to be eligible for the additional \$30.00 per pupil  
21 permitted under this subsection, unless it has received a waiver  
22 ~~under~~ OF subdivision (b), a district shall submit to the  
23 department, not later than October 31, 1989, an official copy of  
24 the board minutes indicating compliance with the requirements  
25 specified in subdivisions (a) and (b).

26        A primary or fourth class school district that sends its  
27 resident high school pupils to 1 or more districts shall receive

1 the additional \$30.00 per pupil permitted under this subsection  
2 if at least 90% of its resident high school pupils attend schools  
3 in districts that satisfy the requirements of either subdivision  
4 (a) or (b). In this case, the primary or fourth class district  
5 shall submit to the department not later than October 31, 1989,  
6 a resolution adopted by its board indicating that it complies  
7 with this requirement.

8 In 1989-90, an additional \$14.00 per pupil in gross allow-  
9 ance shall be allocated to any district that satisfies the  
10 requirements specified in either of the following subdivisions:

11 (a) The district attains an average class size of not more  
12 than 25 pupils for grades K, 1, 2, and 3, taken collectively.

13 (b) The district reduces its average class size in grades K,  
14 1, 2, and 3, taken collectively, by at least 1% from the average  
15 class size in the immediately preceding school year.

16 For purposes of computing average class size, only the fol-  
17 lowing staff shall be counted:

18 (i) General subject classroom teachers, such as teachers of  
19 reading, language arts, mathematics, science or social studies,  
20 and kindergarten teachers.

21 (ii) Special subject teachers, such as teachers of art,  
22 music, or physical education, to the extent that they provide  
23 instruction to eligible pupils.

24 (iii) Special needs teachers, in areas such as compensatory  
25 education, bilingual education, migrant education, or gifted and  
26 talented education, to the extent that they provide instruction  
27 to eligible pupils. The following staff shall not be counted:

1 (A) Special education teachers.

2 (B) Adult education teachers.

3 (C) Professional or nonprofessional support staff.

4 (D) Teacher aides, paraprofessionals, or volunteers.

5 (E) Administrators or supervisors.

6 The department may waive the requirements of subdivision (a)  
7 or (b) for a district with unusual circumstances that is making a  
8 good faith effort to comply with either of these subdivisions and  
9 has a plan in place to meet the requirements for the following  
10 year. However, the department shall not grant waivers to a dis-  
11 trict in more than 2 consecutive school years.

12 In order to be eligible for the additional \$14.00 per pupil  
13 permitted under this subsection, unless it has received a waiver  
14 ~~for~~ OF subdivision (a) or (b), a district shall submit to the  
15 department not later than October 31, 1989, a resolution adopted  
16 by its board indicating that the district complies with the  
17 requirements of either subdivision (a) or (b).

18 (2) A district that supported a district library in 1979-80  
19 and continues to provide support for the district library through  
20 a millage levied pursuant to former Act No. 164 of the Public  
21 Acts of 1955 ~~, as amended, being sections 397.271 to 397.276 of~~  
22 ~~the Michigan Compiled Laws,~~ shall be credited, for all computa-  
23 tions made under this section, with the amount of millage levied  
24 for library purposes, but not to exceed 0.7 mills, if the dis-  
25 trict levies not more than 0.7 mills less than its authorized  
26 operating millage rate.

1       (3) State equalization allocations to a district shall be  
2 adjusted by subtracting from the allocations money received under  
3 section 3(c)(1) of title I of chapter 1124, 64 Stat. 1100, 20  
4 U.S.C. 238, in the same proportion as the total local revenues  
5 covered under the state equalization program are to total local  
6 revenues for education in the district, except that not more than  
7 \$160.00 per pupil shall be subtracted. The proportion shall be  
8 based on prior year revenue and prior year impact aid. A deduc-  
9 tion in any year shall not exceed the amount of deductible impact  
10 aid for which a district is eligible under section 3(c)(1) of  
11 title I of chapter 1124, 64 Stat. 1100. Any deductions made  
12 under this act shall be consistent with the requirements of sec-  
13 tion 5 of title I of chapter 1124, 64 Stat. 1100, 20 U.S.C. 240  
14 and its regulations.

15       (4) If a district has more than 500 pupils and if the net  
16 allocation computed for a district pursuant to subsection (1) is  
17 a negative amount, it shall be applied as a deduction against any  
18 funds otherwise due the district under all other sections of this  
19 act. However, the deduction made under this subsection shall not  
20 exceed a percentage of a district's total state aid entitlement  
21 under all other sections of this act, which percentage is deter-  
22 mined by dividing the gross allowance computed for the district  
23 under subsection (1) by the product of the district's state  
24 equalized valuation behind each membership pupil and the millage  
25 utilized for computing the gross allowance and then subtracting  
26 the result from 100%, except that the percentage shall not exceed  
27 99%, and shall be applied after the following adjustments which

1 shall be based upon per pupil or per professional staff member  
2 cost in each program:

3 (a) The categorical allocations for sections 52 and 61 shall  
4 be reduced a proportionate amount for nonresident pupils, and the  
5 categorical allocation for section 97 shall be reduced a propor-  
6 tionate amount for each professional staff member not an employee  
7 of the district.

8 (b) The categorical allocations for section 52 shall be  
9 increased a proportionate amount for pupils enrolled in a program  
10 operated by another district or the intermediate district, and  
11 the categorical allocation for section 97 shall be increased a  
12 proportionate amount for each professional staff member partici-  
13 pating in a consortium of districts, or of districts and interme-  
14 diate districts, where the legal fiscal agency is another dis-  
15 trict or intermediate district.

16 (5) Funds due under sections 27, 53, 75, 143, and 144 shall  
17 not be counted for purposes of subsection (4).

18 (6) The statewide deductions made under subsection (4) shall  
19 not exceed \$22,625,000.00 in 1989-90.

20 (7) A tax levied pursuant to section 1356(4) of the school  
21 code of 1976, Act No. 451 of the Public Acts of 1976, being sec-  
22 tion 380.1356 of the Michigan Compiled Laws, for the retirement  
23 of an operating deficit shall be considered levied for operating  
24 purposes in making computations under this section.

25 (8) IF A DISTRICT'S MAXIMUM AUTHORIZED RATE OF TAXATION IS  
26 OR HAS BEEN REDUCED UNDER SECTION 31 OF ARTICLE IX OF THE STATE  
27 CONSTITUTION OF 1963, COMPUTATIONS UNDER THIS SECTION SHALL BE

1 MADE SO THAT THE SAME AMOUNT IS ALLOCATED TO THE DISTRICT UNDER  
2 THIS SECTION AS WOULD HAVE BEEN ALLOCATED AS IF THE DISTRICT'S  
3 MAXIMUM AUTHORIZED RATE OF TAXATION HAD NOT BEEN REDUCED.