

HOUSE BILL No. 5492

EXECUTIVE BUDGET BILL

February 14, 1990, Introduced by Reps. Jacobetti and O'Neill and referred to the Committee on Education.

A bill to amend sections 6, 7, 11, 15, 17, 19, 19a, 19b, 19c, 21, 22, 25, 27, 29, 31, 33, 35, 36, 37, 38, 39, 40, 41, 45, 46, 47, 48, 51, 53, 54, 55, 56, 61, 62, 63, 71, 72, 81, 83, 90, 91, 93, 96, 97, 98, 101, 111, 121, 143, 144, 145, 146, 159, 164, and 166 of Act No. 94 of the Public Acts of 1979, entitled as amended

"The state school aid act of 1979,"

sections 11, 17, 21, 22, 25, 29, 31, 33, 36, 38, 40, 41, 45, 47, 48, 51, 53, 54, 55, 56, 61, 62, 63, 71, 72, 83, 93, 96, 97, 101, 121, 143, 144, 145, 146, 164, and 166 as amended and sections 19a, 19b, 19c, 90, 91, and 159 as added by Act No. 197 of the Public Acts of 1989, sections 6, 19, 27, 37, 39, 46, 81, and 98 as amended by Act No. 235 of the Public Acts of 1989, section 7 as amended by Act No. 212 of the Public Acts of 1986, section 15 as amended by Act No. 128 of the Public Acts of 1987, and

sections 35 and 111 as amended by Act No. 318 of the Public Acts of 1988, being sections 388.1606, 388.1607, 388.1611, 388.1615, 388.1617, 388.1619, 388.1619a, 388.1619b, 388.1619c, 388.1621, 388.1622, 388.1625, 388.1627, 388.1629, 388.1631, 388.1633, 388.1635, 388.1636, 388.1637, 388.1638, 388.1639, 388.1640, 388.1641, 388.1645, 388.1646, 388.1647, 388.1648, 388.1651, 388.1653, 388.1654, 388.1655, 388.1656, 388.1661, 388.1662, 388.1663, 388.1671, 388.1672, 388.1681, 388.1683, 388.1690, 388.1691, 388.1693, 388.1696, 388.1697, 388.1698, 388.1701, 388.1711, 388.1721, 388.1743, 388.1744, 388.1745, 388.1746, 388.1759, 388.1764, and 388.1766 of the Michigan Compiled Laws; to add sections 12 and 35a; and to repeal certain acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 6, 7, 11, 15, 17, 19, 19a, 19b, 19c,
2 21, 22, 25, 27, 29, 31, 33, 35, 36, 37, 38, 39, 40, 41, 45, 46,
3 47, 48, 51, 53, 54, 55, 56, 61, 62, 63, 71, 72, 81, 83, 90, 91,
4 93, 96, 97, 98, 101, 111, 121, 143, 144, 145, 146, 159, 164, and
5 166 of Act No. 94 of the Public Acts of 1979, sections 11, 17,
6 21, 22, 25, 29, 31, 33, 36, 38, 40, 41, 45, 47, 48, 51, 53, 54,
7 55, 56, 61, 62, 63, 71, 72, 83, 93, 96, 97, 101, 121, 143, 144,
8 145, 146, 164, and 166 as amended and sections 19a, 19b, 19c, 90,
9 91, and 159 as added by Act No. 197 of the Public Acts of 1989,
10 sections 6, 19, 27, 37, 39, 46, 81, and 98 as amended by Act
11 No. 235 of the Public Acts of 1989, section 7 as amended by Act
12 No. 212 of the Public Acts of 1986, section 15 as amended by Act
13 No. 128 of the Public Acts of 1987, and sections 35 and 111 as

1 amended by Act No. 318 of the Public Acts of 1988, being sections
 2 388.1606, 388.1607, 388.1611, 388.1615, 388.1617, 388.1619,
 3 388.1619a, 388.1619b, 388.1619c, 388.1621, 388.1622, 388.1625,
 4 388.1627, 388.1629, 388.1631, 388.1633, 388.1635, 388.1636,
 5 388.1637, 388.1638, 388.1639, 388.1640, 388.1641, 388.1645,
 6 388.1646, 388.1647, 388.1648, 388.1651, 388.1653, 388.1654,
 7 388.1655, 388.1656, 388.1661, 388.1662, 388.1663, 388.1671,
 8 388.1672, 388.1681, 388.1683, 388.1690, 388.1691, 388.1693,
 9 388.1696, 388.1697, 388.1698, 388.1701, 388.1711, 388.1721,
 10 388.1743, 388.1744, 388.1745, 388.1746, 388.1759, 388.1764, and
 11 388.1766 of the Michigan Compiled Laws, are amended and
 12 sections 12 and 35a are added to read as follows:

13 Sec. 6. (1) "Center program" means a program operated by a
 14 district or intermediate district for special education pupils
 15 from several districts in programs for the autistically impaired,
 16 trainable mentally impaired, severely mentally impaired, severely
 17 multiply impaired, hearing impaired, physically and otherwise
 18 health impaired, AND visually impaired. ~~and programs~~ PROGRAMS
 19 for emotionally impaired PUPILS housed in buildings that do not
 20 serve regular education pupils SHALL ALSO QUALIFY. ~~Unless oth-~~
 21 ~~erwise approved by the department, a center program either shall~~
 22 ~~serve all constituent districts within an intermediate district~~
 23 ~~or shall serve several districts with less than 50% of the pupils~~
 24 ~~residing in the operating district.~~ PUPILS APPROVED BY THE
 25 DEPARTMENT, WHO FORMERLY WOULD HAVE BEEN PLACED IN A CENTER PRO-
 26 GRAM, PLACED IN NONCENTER PROGRAMS TO COMPLY WITH THE LEAST
 27 RESTRICTIVE ENVIRONMENT PROVISIONS OF SECTION 612 OF THE

1 EDUCATION OF THE HANDICAPPED ACT, 20 U.S.C. 1412, MAY BE COUNTED
2 UNDER THIS SECTION PROVIDED:

3 (A) THE PUPIL IS SPECIAL EDUCATION ELIGIBLE AND RECEIVING
4 SPECIAL EDUCATION PROGRAMS OR SERVICES ON THE PUPIL COUNT DATE;
5 AND

6 (B) THE PUPIL IS ELIGIBLE AS AUTISTICALLY IMPAIRED, TRAINA-
7 BLE MENTALLY IMPAIRED, SEVERELY MENTALLY IMPAIRED, SEVERELY
8 MULTIPLY IMPAIRED, HEARING IMPAIRED, PHYSICALLY AND OTHERWISE
9 HEALTH IMPAIRED, OR VISUALLY IMPAIRED.

10 (2) "District membership retention rate" means the propor-
11 tion of pupils who have not dropped out of school in the immedi-
12 ately preceding school year and is equal to 1 minus the quotient
13 of the number of pupils unaccounted for in the immediately pre-
14 ceding school year, as determined pursuant to subsection (3),
15 divided by the membership of the immediately preceding school
16 year.

17 (3) "District membership retention report" means a report of
18 the membership of the district for the immediately preceding
19 school year, adjusted for those pupils who have transferred into
20 the district, transferred out of the district, transferred to
21 alternative programs, and have graduated, to determine the number
22 of pupils who are unaccounted for. The number of pupils unac-
23 counted for shall be calculated as determined by the department.
24 For purposes of this report, membership does not include migrant
25 or adult pupils.

26 (4) "Membership", except as otherwise provided in sections
27 56 and 62, means the number of full-time equivalent pupils in

1 grades K to 12 actually enrolled and in regular daily attendance
2 on the pupil membership count day as determined by the number of
3 pupils registered for attendance plus pupils received by transfer
4 and minus pupils lost as defined by rules promulgated by the
5 state board. In a district operating an extended school year
6 program approved by the state board, a pupil enrolled, but not
7 scheduled to be in regular daily attendance on the pupil member-
8 ship count day, shall be counted. The department shall give a
9 uniform interpretation of full-time and part-time memberships.
10 The state board may provide a district with an adjustment of the
11 district's membership count upon the showing of a substantial
12 increase in membership due to the closing of a nonpublic school
13 after the pupil membership count day. In a district offering
14 classes that are scheduled for a full year in which different
15 pupils participate in different sessions, full-time equated mem-
16 berships shall be determined by dividing the number of class
17 hours scheduled and provided per year per pupil by 900 for ele-
18 mentary and secondary pupils and by 480 for adult pupils.

19 (5) "Pupil" means a person in membership in a public
20 school. A district must have the approval of the pupil's dis-
21 trict of residence to count the pupil in membership, except
22 approval by the pupil's district of residence shall not be
23 required for adult or nonpublic part-time pupils, for pupils
24 receiving 1/2 or less of their instruction in a district other
25 than their district of residence, or for those pupils who were
26 enrolled and in regular daily attendance and remain enrolled and

1 in regular daily attendance in the district other than their
2 district of residence before April 1, 1981.

3 (6) "Pupil membership count day" of a district means:

4 (a) The fourth Friday following Labor day each school year.

5 (b) For a district maintaining school during the entire
6 school year, the following days:

7 (i) Fourth Friday in July.

8 (ii) Fourth Friday in October.

9 (iii) Fourth Friday in January.

10 (iv) Fourth Friday in April.

11 (c) A district receiving funds from the job training part-
12 nership act, Public Law 97-300, 96 Stat. 1322, or a district
13 operating a training program approved by the department may amend
14 the number of pupils counted on the pupil membership count day to
15 include pupils participating in the job training partnership act
16 program or a training program approved by the department. The
17 pupil membership count day for these pupils shall be the third
18 Friday after the first Monday after the start of instruction for
19 the program. Aid received under section 21(1) for these pupils
20 shall be reduced 1/480 for each hour of classroom instruction the
21 pupils are scheduled to receive under 480 hours and further
22 reduced to ensure that the combined section 21(1) and the job
23 training partnership act or other approved training program aid
24 for the programs do not exceed the cost of the programs as veri-
25 fied by the intermediate school district of the district operat-
26 ing the programs.

1 (d) For the ~~1989-90~~ 1990-91 school year only, for a
2 district whose pupils are not in regular daily attendance on the
3 pupil membership count day or on any of the 15 regular school
4 days before the pupil membership count day, at the option of the
5 district, either the second or the third Friday following the
6 first Monday after either the start or resumption of pupil
7 instruction.

8 (7) "Rule" means a rule promulgated pursuant to the adminis-
9 trative procedures act of 1969, Act No. 306 of the Public Acts of
10 1969, as amended, being sections 24.201 to 24.328 of the Michigan
11 Compiled Laws.

12 (8) "The school code of 1976" means Act No. 451 of the
13 Public Acts of 1976, as amended, being sections 380.1 to 380.1852
14 of the Michigan Compiled Laws.

15 (9) "School fiscal year" means a fiscal year which commences
16 July 1 and continues through June 30.

17 (10) "State board" means the state board of education.

18 (11) "Tuition pupil" means a pupil of school age attending
19 school in a district other than the pupil's district of
20 residence. A pupil's district of residence shall not require a
21 high school tuition pupil, as provided under section 111, to
22 attend another school district after the pupil has been assigned
23 to a school district.

24 Sec. 7. (1) Costs for school operating purposes include all
25 of the following expenditures from the general fund of a district
26 or from the operating funds of an intermediate district:

1 (a) Expenditures for instruction and support services,
2 including salaries and employee benefits of teachers and other
3 employees, purchased services, textbooks, and other supplies and
4 materials.

5 (b) Expenditures for furniture and equipment, for alter-
6 ations necessary to maintain school facilities in a safe and san-
7 itary condition, for funding the cost of energy conservation
8 improvements in school facilities, and for deficiencies in oper-
9 ating expenses for the preceding year.

10 (c) Expenditures for school lunch programs, bookstore opera-
11 tions, interscholastic athletics, community services, and cooper-
12 ative education projects.

13 (2) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, THE
14 DEPARTMENT SHALL MAKE AND DEVISE FOR 1990-91 AT LEAST 1 BUT NOT
15 MORE THAN 3 CATEGORICAL BLOCK GRANTS, INCLUSIVE OF THE FOLLOWING
16 CATEGORICAL ALLOCATIONS, FOR THE PURPOSES OF ENHANCING THE ABIL-
17 ITY OF A DISTRICT OR INTERMEDIATE DISTRICT TO MANAGE EFFICIENTLY
18 AND EFFECTIVELY THE COSTS FOR SCHOOL OPERATING PURPOSES:

19 SECTIONS 22, 29, 31, 45, 47, 48, 56, 61, 62, 63, 71, 81,
20 81.3, 93, 96, 111, 116, 143, 144, AND 146.

21 (A) A DISTRICT, WITH THE EXCEPTION OF A DISTRICT SUBJECT IN
22 1990-91 TO THE PROVISIONS OF SECTION 21.4, OR INTERMEDIATE DIS-
23 TRICT SHALL BE GUARANTEED IN TOTAL CATEGORICAL BLOCK GRANT FUNDS
24 IN 1990-91 NOT LESS THAN THE TOTAL FUNDS RECEIVED IN 1989-90 FROM
25 THE COMBINED CATEGORICAL ALLOCATIONS IDENTIFIED IN THIS
26 SUBSECTION.

1 (B) A DISTRICT OR INTERMEDIATE DISTRICT WHICH RECEIVED
 2 FUNDING FOR 1989-90 FROM A CATEGORICAL ALLOCATION IDENTIFIED IN
 3 THIS SECTION SHALL FOR 1990-91 CONTINUE TO CONDUCT, OPERATE, OR
 4 ADMINISTER THE PROGRAM OR SERVICE AT NOT LESS THAN 90% OF THE
 5 PROGRAM OR SERVICE LEVEL PROVIDED FOR 1989-90.

6 (C) A DISTRICT OR INTERMEDIATE DISTRICT SHALL PROVIDE TO THE
 7 DEPARTMENT, IN A MANNER AND ON FORMS PRESCRIBED BY THE DEPART-
 8 MENT, A FULL AND SATISFACTORY ACCOUNTING AND EXPLANATION OF ALL
 9 COSTS FOR SCHOOL OPERATING PURPOSES FUNDED BY THE CATEGORICAL
 10 BLOCK GRANT OR GRANTS.

11 (D) THE DEPARTMENT SHALL REVIEW IN DETAIL THE UTILITY AND
 12 EFFICACY OF THE CATEGORICAL BLOCK GRANT MECHANISM AFTER 1 SCHOOL
 13 YEAR'S OPERATION, AND MAKE A REPORT WITH RECOMMENDATION TO THE
 14 GOVERNOR AND TO THE RESPECTIVE HOUSES OF THE LEGISLATURE NOT
 15 LATER THAN DECEMBER 15, 1991.

16 Sec. 11. There is appropriated from the school aid fund
 17 established by section 11 of article IX of the state constitution
 18 of 1963, for the fiscal year ending September 30, ~~1990~~ 1991,
 19 the sum necessary to fulfill the requirements of this act, and
 20 any deficiency is appropriated from the general fund by the
 21 legislature. The appropriation shall be allocated as provided in
 22 this act. The estimated appropriations and the estimated sources
 23 of revenue provided for in this 1989 amendatory act are as
 24 follows:

25 GROSS APPROPRIATION.....\$ ~~2,581,452,900~~ 2,747,208,800

1 Appropriated from:

2 Total federal.....	51,000,000	53,000,000
3 School aid fund.....	1,930,452,900	2,008,530,600
4 State general fund/general		
5 purpose.....	600,000,000	685,678,200

6 SEC. 12. FROM THE AMOUNT APPROPRIATED IN SECTION 11, THERE
7 IS ALLOCATED AN AMOUNT NOT TO EXCEED \$39,500,000.00 FOR 1990-91
8 TO IMPLEMENT THE PROVISIONS OF THE PROPERTY TAX ASSESSMENT LIMI-
9 TATION PROPOSAL, AS CONTAINED IN BILL REQUEST NUMBER 4845.

10 Sec. 15. (1) If a district or intermediate district fails
11 to receive its proper apportionment, the department, upon satis-
12 factory proof that the district or intermediate district was
13 entitled justly, shall apportion the deficiency in the next
14 apportionment. If a district or intermediate district has
15 received more than its proper apportionment, the department, upon
16 satisfactory proof, shall deduct the excess in the next appor-
17 tionment, except that a deduction due to an adjustment by the
18 state tax commission in the equalized valuation of a district or
19 intermediate district shall be made in the apportionment for the
20 fiscal year following the fiscal year in which the state tax com-
21 mission finalizes the valuation.

22 (2) A deduction, due to an adjustment as a result of an
23 audit conducted by the department, except as specified in subsec-
24 tion (3), shall be deducted from the district's apportionments
25 within a 3-year period beginning in the fiscal year in which the
26 adjustment is finalized. The department may grant an additional
27 2 years if the district would otherwise experience a hardship.

1 (3) A deduction, due to an adjustment as a result of an
 2 audit conducted after September 30, 1987 by or for the department
 3 with respect to adult education programs, shall be deducted from
 4 the district's apportionments within a 1-year period beginning in
 5 the fiscal year in which the adjustment is finalized. The
 6 department may grant an additional 1 year if the district pro-
 7 vides satisfactory evidence of a hardship.

8 ~~(4) A deduction, due to an adjustment of a district's mem-~~
 9 ~~bership as a result of receiving tuition pupils from a district~~
 10 ~~which is legally liable for paying tuition and which fails to pay~~
 11 ~~its tuition assessment in full for the 1981-82 school fiscal~~
 12 ~~year, shall be deducted from the district's apportionments over a~~
 13 ~~3-year period beginning in the fiscal year in which the adjust-~~
 14 ~~ment is finalized.~~

15 Sec. 17. (1) Not later than October 1, December 1, February
 16 1, April 1, June 1, and August 1, the department shall prepare a
 17 statement of the amount to be distributed, exclusive of federal
 18 social security payments, in the installment to the districts and
 19 intermediate districts and deliver the statement to the state
 20 treasurer. Except for section 22(2), the portion of the
 21 district's or intermediate district's state fiscal year entitle-
 22 ment to be included in each installment shall be 20%, 19%, 17%,
 23 16%, 15%, and 13%, respectively. Section 22(2) allocations shall
 24 be paid in full in the October warrant. The state treasurer
 25 shall draw a warrant in favor of the treasurer of each district
 26 or intermediate district for the amount payable to the district
 27 or intermediate district according to the statement and deliver

1 the warrant to the treasurer of each district or intermediate
2 district. The department may make adjustments in payments made
3 under this section through additional payments when changes in
4 law or errors in computation cause the regularly scheduled pay-
5 ment to be less than the amount to which the district or intermu-
6 diate district is entitled pursuant to this act. ~~For the~~
7 ~~1988-89 school fiscal year only, a~~ A district or intermediate
8 district may consider the amount distributed on August 1 of the
9 next school fiscal year to be continuously allocated for either
10 the immediately preceding or current school fiscal year for state
11 accounting purposes. A district or intermediate district that
12 chooses to allocate the August 1 payment to the immediately pre-
13 ceding school fiscal year shall notify in writing the department
14 of its decision not later than October 16, 1989. Any district or
15 intermediate district that does not so notify the department
16 shall continue to allocate the August 1 payment for state
17 accounting purposes to the current school fiscal year in which
18 the payments are received under the payment schedule of this
19 section. If a district experiences an increase in membership
20 over the prior year, the August 1 payment shall be recomputed so
21 that the district receives credit for the increased membership in
22 the school fiscal year, with the additional amount due the dis-
23 trict to be allocated in the February 1, April 1, or June 1 pay-
24 ments or any combination of these payments. However, this addi-
25 tional amount shall then be deducted from the district's subse-
26 quent August 1 payment, so that the state pays the district no

1 more, in the state's fiscal year, than the district's proper
2 entitlement under this act.

3 (2) Payments made pursuant to subsection (1) shall be
4 adjusted so that districts and intermediate districts receive, in
5 addition, in their 1982-83 school fiscal year those amounts by
6 which their 1982-83 school fiscal year payments were reduced due
7 to executive order 1982-13. Payments in subsequent fiscal years
8 shall be adjusted so that districts and intermediate districts
9 receive not later than October 31 of their school fiscal year
10 those amounts by which the payments of that school fiscal year
11 were reduced due to this subsection.

12 (3) Payments made pursuant to subsection (1) shall be
13 adjusted so that districts and intermediate districts receive, in
14 addition, in their 1983-84 school fiscal year 60% of those
15 amounts by which their 1983-84 school fiscal year payments were
16 reduced due to Executive Order 1983-5. Payments in subsequent
17 fiscal years shall be adjusted so that districts and intermediate
18 districts receive not later than October 31 for each school
19 fiscal year those amounts by which the payments of that school
20 fiscal year were reduced due to this subsection.

21 (4) In order to ensure that all districts and intermediate
22 districts receive the adjustments provided for in subsections (2)
23 and (3), the department may make any necessary adjustments in
24 individual district and intermediate district payments.

25 (5) Monthly payments to ASSIST EMPLOYER districts or
26 EMPLOYER intermediate districts ~~—for~~ IN MEETING THEIR federal
27 social security CONTRIBUTION obligations ~~only,~~ shall be

1 disbursed by the state treasurer pursuant to section 146. The
2 department shall prepare a monthly statement of the amount to be
3 distributed to the districts or intermediate districts and
4 deliver the statement to the state treasurer. The state trea-
5 surer shall draw a warrant in favor of the treasurer of each dis-
6 trict or intermediate district for the amount payable to the dis-
7 trict or intermediate district according to the statement and
8 deliver the warrant to the treasurer of each district or interme-
9 diate district.

10 Sec. 19. (1) Beginning in 1990-91, ~~in order to receive all~~
11 ~~of the funds for which a district qualifies under this act,~~ a
12 district shall provide an annual education report as required by
13 section 1204a of the school code of 1976, being section 380.1204a
14 of the Michigan Compiled Laws. A district that fails to meet the
15 requirements of this subsection shall forfeit in 1990-91 3% of
16 the funds for which the district qualifies under this act.

17 (2) Beginning in 1991-92, ~~in order to receive all of the~~
18 ~~funds for which a district qualifies under this act,~~ a district
19 shall administer a state board approved employability skills
20 assessment. A district that fails to meet the requirements of
21 this subsection shall forfeit in 1991-92 3% of the funds for
22 which the district qualifies under this act.

23 Sec. 19a. (1) Beginning in 1990-91, ~~in order to receive~~
24 ~~all of the funds for which a district qualifies under this act,~~
25 the board of a school district shall make available to all pupils
26 attending public school in the district a core curriculum
27 developed pursuant to subsection (3).

1 (2) A model core curriculum shall be developed by the state
2 board. The model core curriculum shall define the outcomes to be
3 achieved by all pupils and shall be based upon the "Michigan K-12
4 program standards of quality" published by the state board.

5 (3) A school board shall determine, considering as a guide
6 the core curriculum developed pursuant to subsection (2), the
7 courses that will comprise the school district's core curriculum
8 and the sequence, by grade cluster, in which those courses will
9 be taught. The core curriculum shall explain any variance from
10 the model core curriculum developed by the state board pursuant
11 to subsection (2).

12 (4) A subject or course required by the core curriculum
13 developed pursuant to subsection (3) shall be made available to
14 all pupils in a school district by that school district, a con-
15 sortium of school districts, or a consortium of 1 or more school
16 districts and 1 or more intermediate school districts.

17 (5) The state board shall make available to all nonpublic
18 schools in this state, as a resource for their consideration, the
19 core curriculum developed for public schools pursuant to subsec-
20 tion (2) for the purpose of assisting the governing body of a
21 nonpublic school in developing its own core curriculum.

22 (6) This section does not alter the obligation of school
23 districts under Snyder v Charlotte Schools, 421 Mich 517 (1984)
24 to offer to resident pupils of nonpublic schools nonessential
25 elective courses that have traditionally been offered on a shared
26 time basis to those pupils.

1 (7) A district that fails to establish a core curriculum
2 before July 1, 1991 shall forfeit in 1990-91 5% of the funds for
3 which the district qualifies under this act.

4 Sec. 19b. (1) Beginning in 1990-91, ~~in order to receive~~
5 ~~all of the funds for which a district qualifies under this act,~~
6 the board of a school district, considering criteria established
7 by the state board, shall adopt and implement a 3- to 5-year
8 school improvement plan or plans and continuing school improve-
9 ment process for each school within the school district. The
10 school improvement plan shall include, at a minimum, proposed
11 methods for effective classroom management, methods of improving
12 pupil academic and personal achievement, dropout prevention,
13 parental and community involvement in the school improvement pro-
14 cess, staff development, and building level decision making.
15 School board members, school building administrators, teachers,
16 pupils, parents of pupils attending that school, and other resi-
17 dents of the school district shall participate in the planning,
18 development, and implementation of the district's school improve-
19 ment plan. Upon request of a school board, the department shall
20 assist, and the intermediate school district to which the school
21 district is constituent or a consortium of intermediate school
22 districts may assist, a school district in the development and
23 implementation of a school improvement plan. A school improve-
24 ment plan described in this section shall be updated annually by
25 the school board and shall be maintained on file with the inter-
26 mediate school district to which the school district is
27 constituent.

1 (2) The state board annually shall review a random sampling
2 of school improvement plans and submit a report on school
3 improvement activities planned and accomplished by each of the
4 school districts that were part of the sampling to the senate and
5 house committees that have the responsibility for education
6 legislation.

7 (3) A district that fails to adopt and file a school
8 improvement plan before July 1, 1991 shall forfeit in 1990-91 5%
9 of the funds for which the district qualifies under this act.

10 Sec. 19c. (1) Not later than October 1, 1991, the depart-
11 ment ~~, based upon accreditation rules promulgated by the state~~
12 ~~board,~~ shall develop and make available to all K to 12 public
13 schools standards to be applied to each school for accreditation
14 purposes.

15 (2) In the 1992-93 school year, the department shall review
16 and evaluate for accreditation purposes the performance of 1/6 of
17 the public schools in the state. Beginning in 1994-95 and each
18 school year thereafter, the department shall annually review and
19 evaluate for accreditation purposes the performance of 1/6 of the
20 public schools in the state, plus each school that did not meet
21 accreditation standards the immediately preceding school year.

22 (3) THE ACCREDITATION EVALUATION REQUIRED BY SUBSECTION (2)
23 SHALL INCLUDE, BUT NOT BE LIMITED TO, ALL OF THE FOLLOWING APPLI-
24 CABLE PERFORMANCE INFORMATION:

25 (A) THE SUCCESS OF THE SCHOOL IN IMPLEMENTING THE CORE CUR-
26 RICULUM AS DESCRIBED IN SECTION 1278 OF THE SCHOOL CODE OF 1976,
27 BEING SECTION 380.1278 OF THE MICHIGAN COMPILED LAWS.

1 (B) THE RESULTS OF ANY STATEWIDE SUBJECT MATTER ASSESSMENT
2 TESTS AND NATIONALLY NORMED ACHIEVEMENT TESTS THAT WERE GIVEN TO
3 PUPILS ATTENDING THE SCHOOL.

4 (C) FOR THE CURRENT AND PREVIOUS SCHOOL YEAR, THE PERCENTAGE
5 OF PUPILS IN THE SCHOOL, IDENTIFIED BY GRADE LEVEL, WHO LEFT
6 SCHOOL AND WITHIN THE NEXT 12 MONTHS DID NOT ENROLL IN ANOTHER
7 EDUCATIONAL PROGRAM LEADING TO A HIGH SCHOOL DIPLOMA OR THE
8 EQUIVALENT OF A HIGH SCHOOL DIPLOMA.

9 (D) THE ATTENDANCE RATE OF PUPILS IN THE SCHOOL.

10 (E) OTHER CRITERIA CONSIDERED APPROPRIATE BY THE STATE
11 BOARD.

12 (4) THE BOARD OF A SCHOOL DISTRICT THAT CONTAINS A SCHOOL
13 THAT HAS NOT MET ACCREDITATION STANDARDS FOR 3 CONSECUTIVE YEARS
14 SHALL DEVELOP AND ADOPT A SCHOOL IMPROVEMENT PLAN FOR THAT
15 SCHOOL. THE SCHOOL BOARD SHALL TRANSMIT A COPY OF THE SCHOOL
16 IMPROVEMENT PLAN TO THE STATE BOARD, ALONG WITH A WRITTEN COMMIT-
17 MENT TO IMPLEMENT THE PLAN.

18 (5) A SCHOOL THAT HAS NOT MET ACCREDITATION STANDARDS FOR 3
19 CONSECUTIVE YEARS IS SUBJECT TO 1 OR MORE OF THE FOLLOWING MEA-
20 SURES, AS DETERMINED BY THE STATE BOARD:

21 (A) THE SCHOOL SHALL RECEIVE TECHNICAL ASSISTANCE, AS APPRO-
22 PRIATE, FROM THE DEPARTMENT AND THE INTERMEDIATE SCHOOL DISTRICT
23 TO WHICH IT IS CONSTITUENT UNTIL THE SCHOOL MEETS ACCREDITATION
24 STANDARDS.

25 (B) A PARENT OR PERSON IN LOCO PARENTIS OF A CHILD WHO
26 ATTENDS THE SCHOOL SHALL HAVE THE RIGHT TO SEND HIS OR HER CHILD

1 TO ANY ACCREDITED PUBLIC SCHOOL WITH AN APPROPRIATE GRADE LEVEL
2 WITHIN THE SCHOOL DISTRICT.

3 (C) THE SCHOOL SHALL BE CLOSED.

4 Sec. 21. (1) Except as otherwise provided in this act, from
5 the amount appropriated in section 11, there is allocated to each
6 district an amount per membership pupil sufficient to guarantee
7 the district for ~~+1989-90-~~ 1990-91 a combined state-local yield
8 or gross allowance of \$266.00 plus ~~-\$83.61-~~ \$88.55 for each mill
9 of operating tax levied. For purposes of this section, only
10 taxes levied for purposes included in the operation cost of the
11 district as prescribed in section 7 shall be considered operating
12 tax. The net allocation for each district shall be an amount per
13 membership pupil computed by subtracting, from the gross allow-
14 ance guaranteed the district, the product of the district's state
15 equalized valuation behind each membership pupil and the millage
16 utilized for computing the gross allowance.

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

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

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

25 (ii) One year of health, or consumer home economics essen-
26 tial health and living skills, or physical education, or any
27 combination thereof.

1 (iii) One year of fine or performing arts, foreign language,
2 or of vocational education or practical arts, or any combination
3 thereof.

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

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

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

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

26 In order to be eligible for the additional \$30.00 per pupil
27 permitted under this subsection, unless it has received a waiver

1 under subdivision (b), a district shall submit to the department,
 2 not later than October 31, ~~+1989~~ 1990, an official copy of the
 3 board minutes indicating compliance with the requirements speci-
 4 fied in subdivisions (a) and (b).

5 A primary or fourth class school district that sends its
 6 resident high school pupils to 1 or more districts shall receive
 7 the additional \$30.00 per pupil permitted under this subsection
 8 if at least 90% of its resident high school pupils attend schools
 9 in districts that satisfy the requirements of either subdivision
 10 (a) or (b). In this case, the primary or fourth class district
 11 shall submit to the department not later than October 31, ~~+1989~~
 12 1990, a resolution adopted by its board indicating that it com-
 13 plies with this requirement.

14 In ~~+1989-90~~ 1990-91, an additional \$14.00 per pupil in
 15 gross allowance shall be allocated to any district that satisfies
 16 the requirements specified in either of the following
 17 subdivisions:

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

20 (b) The district reduces its average class size in grades K,
 21 1, 2, and 3, taken collectively, by at least 1% from the average
 22 class size in the immediately preceding school year.

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

25 (i) General subject classroom teachers, such as teachers of
 26 reading, language arts, mathematics, science or social studies,
 27 and kindergarten teachers.

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

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

8 (A) Special education teachers.

9 (B) Adult education teachers.

10 (C) Professional or nonprofessional support staff.

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

12 (E) Administrators or supervisors.

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

19 In order to be eligible for the additional \$14.00 per pupil
20 permitted under this subsection, unless it has received a waiver
21 for subdivision (a) or (b), a district shall submit to the
22 department not later than October 31, ~~1989~~ 1990, a resolution
23 adopted by its board indicating that the district complies with
24 the requirements of either subdivision (a) or (b).

25 (2) A district that supported a district library in 1979-80
26 and continues to provide support for the district library through
27 a millage levied pursuant to former Act No. 164 of the Public

1 Acts of 1955, as amended, being sections 397.271 to 397.276 of
2 the Michigan Compiled Laws, shall be credited, for all computa-
3 tions made under this section, with the amount of millage levied
4 for library purposes, but not to exceed 0.7 mills, if the dis-
5 trict levies not more than 0.7 mills less than its authorized
6 operating millage rate.

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

21 (4) If a district has more than 500 pupils and if the net
22 allocation computed for a district pursuant to subsection (1) is
23 a negative amount, it shall be applied as a deduction against any
24 funds otherwise due the district under all other sections of this
25 act. However, the deduction made under this subsection shall not
26 exceed a percentage of a district's total state aid entitlement
27 under all other sections of this act, which percentage is

1 determined by dividing the gross allowance computed for the
 2 district under subsection (1) by the product of the district's
 3 state equalized valuation behind each membership pupil and the
 4 millage utilized for computing the gross allowance and then sub-
 5 tracting the result from ~~+100%~~ 115%, except that the percentage
 6 shall not exceed 99%, and shall be applied after the following
 7 adjustments which shall be based upon per pupil or per profes-
 8 sional staff member cost in each program:

9 (a) The categorical allocations for sections 52 and 61 shall
 10 be reduced a proportionate amount for nonresident pupils, and the
 11 categorical allocation for section 97 shall be reduced a propor-
 12 tionate amount for each professional staff member not an employee
 13 of the district.

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

22 (5) Funds due under sections 12, 27, 53, 75, 143, and 144
 23 shall not be counted for purposes of subsection (4).

24 (6) The statewide deductions made under subsection (4) shall
 25 not exceed ~~\$22,625,000.00~~ \$45,000,000.00 in ~~+1989-90~~ 1990-91.

26 (7) A tax levied pursuant to section 1356(4) of the school
 27 code of 1976, Act No. 451 of the Public Acts of 1976, being

1 section 380.1356 of the Michigan Compiled Laws, for the
2 retirement of an operating deficit shall be considered levied for
3 operating purposes in making computations under this section.

4 Sec. 22. (1) A K to 12 district formed after January 1,
5 1989, by the consolidation or annexation of 2 or more districts
6 or the attachment of a total district to another district shall
7 be entitled to receive in ~~1989-90~~ 1990-91, the same total allo-
8 cation under section 21(1) that the individual districts that
9 make up the new district would have been entitled to receive in
10 ~~1989-90~~ 1990-91 as separate districts.

11 (2) A K to 12 district that after July 1, 1989 is designated
12 as a trustee district pursuant to the school code of 1976 upon
13 the division of a district and subsequent attachment of that dis-
14 trict to 2 or more contiguous districts, shall be entitled to
15 receive in 1989-90 and 1990-91 the total allocation under
16 section 21(1) that the divided district would have been entitled
17 to receive in 1989-90 and 1990-91 as a separate district. That
18 allocation shall be expended only for payment of the bonded
19 indebtedness of the divided district.

20 (3) From the money appropriated in section 11, there is
21 allocated an amount not to exceed \$350,000.00 for ~~1989-90~~
22 1990-91 for districts formed by the consolidation or annexation
23 of 2 or more districts or the attachment of a total district to
24 another district after November 1, 1982. In order to be eligible
25 to receive reorganization payments, districts shall have been
26 formed by the consolidation or annexation of 2 or more districts
27 or the attachment of a total district to another district not

1 later than the second Monday in June immediately preceding the
 2 fiscal year in which the payments are to be received. Payments
 3 to eligible reorganized districts shall be, in the first year of
 4 the reorganization, the sum of \$425.00 per pupil, for each trans-
 5 ferred pupil in membership on the pupil membership count day or
 6 tuition pupil as provided for in section 111 in the school fiscal
 7 year immediately preceding the reorganization in the district
 8 contributing the least number of pupils to the reorganized dis-
 9 trict, \$300.00 per each such pupil in the second year of the
 10 reorganization, and \$175.00 per each such pupil in the third year
 11 of the reorganization. As an alternative an eligible reorganized
 12 district resulting from the merger of 3 or more total districts
 13 may elect a payment which shall be \$425.00 per pupil in the first
 14 year of the reorganization for each transferred pupil in member-
 15 ship on the pupil membership count date or tuition pupil as pro-
 16 vided for in section 111 in the school fiscal year immediately
 17 preceding the reorganization in the districts other than the dis-
 18 trict contributing the largest number of pupils to the reorga-
 19 nized district, \$300.00 per each such pupil in the second year of
 20 the reorganization, and \$175.00 per each such pupil in the third
 21 year of the reorganization, except that payment shall not be made
 22 for more than 1,000 pupils to any 1 reorganized district under
 23 this alternative provision. Payments made to reorganized dis-
 24 tricts under this subsection shall not exceed 3 years.

25 Sec. 25. (1) From the amount appropriated in section 11,
 26 there is allocated an amount not to exceed ~~\$20,000,000.00~~ in
 27 ~~1989-90~~ \$15,000,000.00 IN 1990-91 to applicant districts with

1 nonschool operating property taxes. An applicant district's
2 entitlement shall be ~~determined through a process of gross~~
3 ~~allowance increase as follows:~~ NOT MORE THAN 75% OF THE
4 DISTRICT'S ENTITLEMENT FOR 1989-90. A DISTRICT RECEIVING FUNDS
5 UNDER SECTION 27 SHALL NOT RECEIVE FUNDS UNDER THIS SECTION,
6 EXCEPT AS PROVIDED IN SECTION 27.

7 ~~(a) An application may be filed by the district in form and~~
8 ~~content as prescribed by the department showing the total taxes~~
9 ~~levied on property located within the district by the taxing~~
10 ~~agencies, including the district, but excluding taxes levied for~~
11 ~~school operating purposes.~~

12 ~~(b) Using the total property taxes for the prior year as~~
13 ~~last reported by the state tax commission for the entire state,~~
14 ~~but excluding the taxes levied for school operating purposes, the~~
15 ~~department shall determine the tax rate for the entire state.~~
16 ~~The applicant district's tax rate shall be determined by dividing~~
17 ~~the figure obtained in subdivision (a) by the district's prior~~
18 ~~year state equalized valuation.~~

19 ~~(c) If the resulting tax rate for the applicant district is~~
20 ~~+25% or more of the resulting tax rate for the districts of the~~
21 ~~state, the gross allowance of the applicant district computed~~
22 ~~pursuant to section 21(1) shall be increased by the percentage by~~
23 ~~which the resulting tax rate in the applicant district exceeds~~
24 ~~+25% of the resulting tax rates in all districts of the state.~~

25 ~~(d) Each applicant district's entitlement under this subsec-~~
26 ~~tion shall be the difference between the allocation received by~~
27 ~~the district under section 21(1) and the allocation the district~~

1 ~~would have received under section 21(1) as recomputed using the~~
 2 ~~gross allowance as increased in subdivision (c).~~

3 ~~(c) A district receiving funds under section 27 shall not~~
 4 ~~receive funds under this section.~~

5 (2) A DISTRICT'S ENTITLEMENT FOR 1991-92 SHALL BE NOT MORE
 6 THAN 50% OF THE DISTRICT'S ENTITLEMENT FOR 1989-90. A DISTRICT'S
 7 ENTITLEMENT FOR 1992-93 SHALL BE NOT MORE THAN 25% OF THE
 8 DISTRICT'S ENTITLEMENT FOR 1989-90.

9 (3) THIS SECTION SHALL EXPIRE ON OCTOBER 1, 1993.

10 Sec. 27. (1) From the amount appropriated in section 11,
 11 there is allocated an amount not to exceed ~~\$17,000,000.00~~
 12 \$27,000,000.00 for ~~1989-90~~ 1990-91 to K to 12 districts that
 13 meet all of the following criteria:

14 (a) The district levied not less than 20 mills and levied
 15 not less than the district's authorized millage rate for school
 16 operating purposes after any reduction required by section 31 of
 17 article IX of the state constitution of 1963 in ~~1988-89~~ and
 18 ~~1989-90~~ 1989-90 AND 1990-91. In addition, the district's autho-
 19 rized operating millage rate before a reduction required by
 20 section 31 of article IX of the state constitution of 1963 is not
 21 less than the immediately preceding year's authorized rate before
 22 a reduction required by section 31 of article IX of the state
 23 constitution of 1963.

24 (b) The district may receive an allocation under section 25
 25 or section 27, whichever is greater. ~~However, a district shall~~
 26 ~~not receive funds from both sections 25 and 27.~~ FOR PURPOSES OF
 27 THIS SUBSECTION, THE COMPARISON ALLOCATION FROM SECTION 25 SHALL

1 BE THE ALLOCATION RECEIVED BY THE DISTRICT FOR 1989-90. A
 2 DISTRICT WHICH RECEIVES AN ALLOCATION FOR 1990-91 FROM SECTION 25
 3 HOWEVER, AND WHICH HAS AN AVERAGE ADJUSTED GROSS INCOME PER MEM-
 4 BERSHIP PUPIL LESS THAN 78.3% OF THE STATE AVERAGE ADJUSTED GROSS
 5 INCOME PER MEMBERSHIP PUPIL AS DETERMINED BY SUBSECTION (1)(C),
 6 SHALL BE ELIGIBLE TO RECEIVE FROM THIS SECTION AN ALLOCATION NOT
 7 TO EXCEED 25% OF THE DISTRICT'S ENTITLEMENT FROM SECTION 25 FOR
 8 1989-90. A DISTRICT ELIGIBLE TO RECEIVE FOR 1990-91 AN ALLOCA-
 9 TION FROM THIS SECTION IN ADDITION TO ITS ALLOCATION FROM
 10 SECTION 25 MAY RECEIVE FROM THE FUNDS AVAILABLE, IF ANY, IN
 11 SECTION 27 AFTER THE ALLOCATION OF ALL FUNDS NEEDED TO SATISFY
 12 SUBSECTION (2), AN AMOUNT PROPORTIONAL TO ITS ENTITLEMENT SHARE
 13 OF THE TOTAL SECTION 25 ALLOCATION FOR 1989-90.

14 (c) The district has an average adjusted gross income per
 15 membership pupil less than ~~78.3%~~ 65% of the state average
 16 adjusted gross income per membership pupil. ~~In 1989-90, the~~
 17 ~~adjusted gross income per membership pupil shall be calculated by~~
 18 ~~dividing the district's 1985 adjusted gross income as certified~~
 19 ~~by the department of treasury by the district's 1988-89~~
 20 ~~membership.~~ Beginning in 1990-91 and each year thereafter, the
 21 adjusted gross income per membership pupil shall be calculated by
 22 dividing the district's latest calendar year adjusted gross
 23 income for which data is available as of June 1 before the begin-
 24 ning of the fiscal year, as certified by the department of trea-
 25 sury, by the district's membership for the immediately preceding
 26 year.

1 (2) Each district is entitled under this section to \$1.00
 2 per pupil for each \$1.00 that the district's average adjusted
 3 gross income per pupil is below ~~78.3%~~ 65% of the state average
 4 adjusted gross income per pupil. However, the allocation per
 5 pupil provided under this section, when combined with the sum of
 6 the per pupil allocation under section 21(1) calculated using the
 7 millage utilized for computing the gross allowance in ~~1988-89~~
 8 1989-90 and the product of the district's state equalized valua-
 9 tion behind each membership pupil utilized for computing the
 10 gross allowance in ~~1989-90~~ 1990-91 and the millage utilized for
 11 computing the gross allowance in ~~1988-89~~ 1989-90, shall not
 12 exceed in ~~1989-90~~ 1990-91 either ~~\$3,100.00~~ \$3,265.00 per
 13 pupil or ~~1.076%~~ 112% of the sum of the product of the
 14 district's state equalized valuation behind each membership pupil
 15 utilized for computing the gross allowance in ~~1988-89~~ 1989-90
 16 and the district's ~~1988-89~~ 1989-90 levied millage for school
 17 operations and the district's ~~1988-89~~ 1989-90 membership aid
 18 per pupil under section 21(1), whichever is less.

19 (3) As used in this section, "state average adjusted gross
 20 income per membership pupil" means the sum of the adjusted gross
 21 income of all districts, as certified by the department of trea-
 22 sury, divided by the total state membership.

23 Sec. 29. From the amount appropriated in section 11 for
 24 ~~1989-90~~ 1990-91, there is allocated an amount not to exceed
 25 \$225,000.00 for the following:

26 In districts not receiving aid under section 21(1), the
 27 membership for foreign born pupils who live in tax-exempt housing

1 owned by a 4-year college or university and whose native language
2 is other than English or for whom the primary language of the
3 home environment is other than English shall be counted in mem-
4 bership in the intermediate district. For each pupil, the inter-
5 mediate district shall receive under this section 25% of a mem-
6 bership aid gross allowance computed by averaging the actual mem-
7 bership aid gross allowances of the intermediate district's con-
8 stituent districts weighted as to membership. The resulting mem-
9 bership aid shall be paid, without deduction, by the intermediate
10 district to the district.

11 Sec. 31. From the amount appropriated in section 11, there
12 is allocated \$26,582,000.00 for ~~1989-90~~ 1990-91, but not to
13 exceed \$300.00 per eligible pupil, to enable eligible districts
14 to establish or to continue, in conjunction with whatever federal
15 funds may be available under chapter 1 of the education consoli-
16 dation and improvement act of 1981, Public Law 97-35,
17 Stat. 463-482, comprehensive compensatory education programs
18 designed to improve the achievement in basic cognitive skills of
19 pupils enrolled in grades K to 10 who have extraordinary need for
20 special assistance to improve competency in those basic skills
21 and for whom the districts are not already receiving additional
22 funds by virtue of the pupils being physically, mentally, or emo-
23 tionally handicapped.

24 Sec. 33. The number of pupils in grades K to 10 determined
25 to be in need of substantial improvement in the basic cognitive
26 skills for ~~1989-90~~ 1990-91 shall be calculated for each
27 district following procedural steps:

1 (a) Using the reading and mathematics test scores of the
2 statewide assessment battery given in the fall of the 4 prior
3 years, the percentage of the district's pupils in grade 4 who
4 attained 60% or fewer of the reading objectives and the percen-
5 tage of the district's pupils in grade 4 who attained 60% or
6 fewer of the mathematics objectives shall be averaged. The aver-
7 age aggregate enrollment of the district in grades K to 4 on the
8 pupil membership count day of the 4 prior school years shall be
9 multiplied by this average percentage to determine the estimated
10 number of pupils in grades K to 4.

11 (b) Using the reading and mathematics test scores of the
12 statewide assessment battery given in the fall of the 4 prior
13 years, the percentage of the district's pupils in grade 7 who
14 attained 60% or fewer of the reading objectives and the percen-
15 tage of the district's pupils in grade 7 who attained 60% or
16 fewer of the mathematics objectives shall be averaged. The aver-
17 age aggregate enrollment of the district in grades 5, 6, and 7 on
18 the pupil membership count day of the 4 prior school years shall
19 be multiplied by this average percentage to determine the esti-
20 mated number of pupils in grades 5, 6, and 7.

21 (c) Using the reading and mathematics test scores of the
22 statewide assessment battery given in the fall of the 4 preceding
23 years, the percentage of the district's pupils in grade 10 who
24 attained 60% or fewer of the reading objectives and the percen-
25 tage of the district's pupils in grade 10 who attained 60% or
26 fewer of the mathematics objectives shall be averaged. The
27 average aggregate enrollment of the district in grades 8, 9, and

1 10 on the pupil membership count day of the 4 preceding school
2 years shall be multiplied by this average percentage to determine
3 the estimated number of pupils in grades 8, 9, and 10.

4 (d) The number of pupils determined in subdivision (a) shall
5 be added to the number of pupils determined in subdivisions (b)
6 and (c). This resultant sum shall be construed to be the number
7 of pupils of the district enrolled in grades K to 10 who have
8 extraordinary need of substantial improvement in basic cognitive
9 skills at the beginning of the school year.

10 Sec. 35. (1) The tentative allocations as determined in
11 section 34 shall be distributed among districts in decreasing
12 order of concentration of eligible pupils as determined by sec-
13 tion 33 until the money ~~appropriated~~ ALLOCATED in section 31 is
14 distributed if:

15 (a) The district has applied for the money on a form pro-
16 vided by the department.

17 (b) The program proposed by the district is of sufficient
18 size, scope, and quality to give reasonable promise of meeting
19 the needs of the district's educationally deprived pupils.

20 (c) The district has shown evidence of having established
21 comparability among schools within the district pursuant to stan-
22 dards established by the state board.

23 (d) The district is committed to the involvement of parents,
24 teachers, and administrators in the planning and continuous eval-
25 uation of compensatory education programs as conducted under this
26 article.

1 (e) Each pupil participating in a program funded under this
2 article is educationally deprived and was selected from among the
3 lowest achievers.

4 (f) Each program funded under this article is based on per-
5 formance objectives related to educational achievement and is
6 evaluated in a manner consistent with those performance
7 objectives.

8 (g) Each program funded under this article provides supple-
9 mentary services designed to meet the unique educational needs of
10 the children who are participating.

11 (h) The district keeps those records and affords access to
12 the records as is necessary to verify compliance with the
13 requirements of this section.

14 (2) A district shall use the state funds for specifically
15 identified pupils to supplement, and not supplant, the use of
16 federal or local money.

17 (3) A participating school building having 50% or more of
18 its pupils in grade 4 achieving less than 75% of Michigan educa-
19 tion assessment program objectives in reading or math, or both,
20 shall be designated a high-need building. The department shall
21 determine the achievement gain of the high-need building's pupils
22 funded under section 31 as measured by the approved evaluation
23 criteria. If the average rate of achievement gain in reading or
24 mathematics, or both, for the group is not greater than the pre-
25 vious year's compensatory education average rate of achievement
26 gain for that building, the district shall request consultant
27 service from the department ~~beginning with the 1979-80 school~~

1 ~~year~~ and determine whether the building's delivery system should
2 be modified. A description of the delivery system and rationale
3 for a program under this article for a high-need building with
4 pupils funded under section 31, whose average rate of achievement
5 gain does not exceed the previous year's compensatory education
6 average rate of achievement gain for a period of 3 consecutive
7 years after 1976-77, shall be submitted by the district to the
8 department for approval.

9 (4) The department shall monitor each program funded under
10 this article to ensure that the requirements of this section are
11 met. A district subjected to a deduction under section 21(4)
12 shall not be required to allocate more, to a program funded under
13 this article, than an amount per eligible pupil that bears the
14 same relation to the amount specified in section 31 as the amount
15 actually received by the district under all sections of this act,
16 other than sections 53 and 143, bears to the amount that would
17 have been due the district under all sections of this act other
18 than sections 53 and 143 before the section 21(4) deduction.

19 SEC. 35A. (1) FROM THE AMOUNT APPROPRIATED IN SECTION 11,
20 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR
21 1990-91 TO ELIGIBLE APPLICANT DISTRICTS FOR ACHIEVEMENT INCENTIVE
22 GRANTS TO REWARD SCHOOL LEVEL IMPROVEMENT IN PUPIL ACADEMIC PER-
23 FORMANCE AND PUPIL ATTENDANCE OR PUPIL RETENTION.

24 (2) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, DISTRICTS
25 MUST:

26 (A) IN A MANNER REQUIRED BY THE DEPARTMENT, SUBMIT WHICH
27 PARTICIPATING SCHOOLS WITHIN THE DISTRICT DEMONSTRATED

1 IMPROVEMENT IN PUPIL ACADEMIC PERFORMANCE AS DEFINED IN
2 SUBSECTION (4) AND PUPIL ATTENDANCE AS DEFINED IN SUBSECTION
3 (6).

4 (B) AWARD FUNDS TO INDIVIDUAL SCHOOLS DEMONSTRATING IMPROVE-
5 MENT IN PUPIL ACADEMIC PERFORMANCE AS DESCRIBED IN SUBSECTION
6 (3).

7 (3) FUNDS SHOULD BE DISTRIBUTED WITHIN THE DISTRICT TO
8 SCHOOLS SHOWING IMPROVEMENT IN ACHIEVEMENT AND THE INDIVIDUAL
9 SCHOOLS SHALL USE THE FUNDS FOR DISCRETIONARY SCHOOL IMPROVEMENT
10 PURPOSES, AND FUNDS SHALL NOT BE USED TO SUPPLANT REGULAR SCHOOL
11 FUNDING.

12 (4) FOR PURPOSES OF THIS SECTION, IMPROVEMENT IN PUPIL ACA-
13 DEMIC PERFORMANCE SHALL BE DEFINED AS A SCHOOL'S PERCENTAGE OF
14 PUPILS WHO IN 1989-90 PASSED THE MICHIGAN EDUCATION ASSESSMENT
15 PROGRAMS, AS DETERMINED PURSUANT TO SUBSECTION (5), AND WAS AT
16 LEAST 4 PERCENTAGE POINTS MORE THAN THE SCHOOL'S PERCENTAGE OF
17 PUPILS WHO IN 1986-87 PASSED THE MICHIGAN EDUCATION ASSESSMENT
18 TESTS, AS DETERMINED PURSUANT TO SUBSECTION (5).

19 (5) THE PERCENTAGE OF PUPILS IN A DISTRICT WHO PASSED THE
20 MEAP TESTS IN 1986-87 AND IN 1989-90 SHALL EQUAL THE PERCENTAGE
21 OF PUPILS WHO ATTAINED FOR EACH YEAR NOT LESS THAN 75% OF THE
22 FOURTH GRADE READING, FOURTH GRADE MATHEMATICS, SEVENTH GRADE
23 READING, SEVENTH GRADE MATHEMATICS, TENTH GRADE READING, AND
24 TENTH GRADE MATHEMATICS OBJECTIVES AS MEASURED BY THE MEAP
25 TESTS. THE PERCENTAGE OF STUDENTS PASSING THE 1989-90 READING
26 TEST SHALL BE COMPUTED USING THE BASIC SKILLS INDICATOR TEST.

1 THE DIFFERENCE IN THE PROPORTION OF PUPILS IN A DISTRICT WHO
2 PASSED THE MEAP TESTS IN 1986-87 AND IN 1989-90 SHALL BE COMPUTED
3 BY SUBTRACTING THE PERCENTAGE OF PUPILS IN A DISTRICT WHO PASSED
4 THE MEAP TESTS IN 1986-87 FROM THE PERCENTAGE OF PUPILS IN THE
5 DISTRICT WHO PASSED THE MEAP TESTS IN 1989-90.

6 (6) SCHOOL DISTRICTS MAY MEET THE ATTENDANCE REQUIREMENT FOR
7 ELIGIBILITY BY SUBMITTING EVIDENCE TO THE DEPARTMENT THAT AVERAGE
8 DAILY ATTENDANCE IN THE DISTRICT FOR 1988-89 WAS AT LEAST 90%, OR
9 THAT AVERAGE DAILY ATTENDANCE FOR 1988-89 INCREASED BY AT LEAST
10 1% IN THE DISTRICT OVER 1987-88.

11 (7) THE DEPARTMENT, BASED ON RECOMMENDATIONS DEVELOPED IN
12 CONSULTATION WITH DISTRICT BUILDING PRINCIPALS AND TEACHERS,
13 SHALL PROVIDE DISTRICTS WITH INFORMATION ON CREATIVE AND INNOVA-
14 TIVE WAYS TO MEASURE IMPROVEMENT IN PUBLIC ACADEMIC PERFORMANCE
15 AND EDUCATIONAL COMPETENCY, TO BE INCLUDED IN REWARD CRITERIA IN
16 1991-92.

17 (8) A BOARD THAT RECEIVES AN ACHIEVEMENT INCENTIVE GRANT
18 SHALL REPORT TO THE DEPARTMENT WITHIN 6 MONTHS AFTER RECEIVING
19 THE GRANT HOW EACH OF THE IMPROVING SCHOOLS THAT RECEIVED A MONE-
20 TARY REWARD EXPENDED THAT REWARD.

21 Sec. 36. From the amount appropriated in section 11, there
22 is allocated an amount not to exceed ~~-\$17,200,000.00-~~
23 \$24,800,000.00 for ~~+1989-90-~~ 1990-91 to enable eligible districts
24 AND INTERMEDIATE DISTRICTS to develop or expand, in conjunction
25 with whatever federal funds may be available under title I of the
26 elementary and secondary education act, Public Law 89-750, 80
27 Stat. 1196 and the head start act, 42 U.S.C. 9831-9852,

1 comprehensive compensatory education programs designed to improve
2 the readiness and subsequent achievement of educationally disad-
3 vantaged children as defined by the department who will be at
4 least 4, but less than 5 years of age, as of December 1 of the
5 SCHOOL year in which the programs are offered, who have extraor-
6 dinary need of special assistance, and for whom the districts AND
7 INTERMEDIATE DISTRICTS are not already receiving additional funds
8 by virtue of the ~~pupils~~ CHILDREN being physically, mentally, or
9 emotionally handicapped.

10 Sec. 37. A district OR INTERMEDIATE DISTRICT shall be eli-
11 gible for an allocation under section 36 if, in a manner and on
12 forms prescribed by the department, all of the following apply:

13 (a) The district OR INTERMEDIATE DISTRICT complies with the
14 state board approved standards of quality and curriculum guide-
15 lines for preschool programs for 4-year-olds. However, Act
16 No. 116 of the Public Acts of 1973, being sections 722.111 to
17 722.128 of the Michigan Compiled Laws, does not apply to the
18 district.

19 (b) The district OR INTERMEDIATE DISTRICT provides for the
20 active and continuous participation of parents or guardians of
21 the children in the program, and describes the district's partic-
22 ipation plan as part of the application.

23 (c) The district OR INTERMEDIATE DISTRICT only employs for
24 this program teachers possessing proper training in early child-
25 hood development, including a ZA endorsement and/or child devel-
26 opment associate, and trained support staff.

1 (d) The district OR INTERMEDIATE DISTRICT identifies in its
2 application all early childhood development programs operating in
3 the community and all collaborative activities between the dis-
4 trict OR INTERMEDIATE DISTRICT and other operators of early
5 childhood development programs.

6 (e) The district OR INTERMEDIATE DISTRICT has submitted for
7 approval a program budget that includes only those costs not
8 reimbursed or reimbursable by federal funding, that are clearly
9 and directly attributable to the preschool readiness program, and
10 that would not be incurred if the program were not being
11 offered. If children other than those determined to be educa-
12 tionally disadvantaged participate in the program, state reim-
13 bursement under section 36 shall be limited to the portion of
14 approved costs attributable to educationally disadvantaged
15 children.

16 (f) The district OR INTERMEDIATE DISTRICT has established a
17 committee on early childhood education curriculum consisting of,
18 at a minimum, classroom teachers for prekindergarten, kindergar-
19 ten, and first grade, a parent of a prekindergarten ~~pupil~~
20 CHILD, the district curriculum director or equivalent administra-
21 tor, and, if feasible, a school psychologist, school social
22 worker, or school counselor. The committee shall do both of the
23 following:

24 (i) Ensure the ongoing articulation of the preschool, kin-
25 dergarten, and first grade programs offered by the district OR
26 INTERMEDIATE DISTRICT.

1 (ii) Review all referrals for participation in the preschool
2 program and recommend ~~pupils~~ CHILDREN for placement.

3 (g) The district OR INTERMEDIATE DISTRICT has submitted for
4 departmental approval a plan to conduct and report annual pre-
5 school program evaluations using criteria approved by the
6 department. At a minimum, EXCEPT AS PROVIDED IN SUBDIVISION (K),
7 the evaluations shall include assessment of the gains in educa-
8 tional readiness and progress through first grade of children
9 participating in the preschool program.

10 (h) The district OR INTERMEDIATE DISTRICT has established a
11 community advisory committee that shall be involved in the plan-
12 ning and evaluation of the program and has provided for collabo-
13 ration with and the involvement of appropriate community, volun-
14 teer, social service agencies and organizations, and parents in
15 addressing all aspects of educational disadvantage.

16 (i) The district OR INTERMEDIATE DISTRICT reviews and, if
17 necessary, restructures all programs funded under section 31 for
18 the purpose of ensuring that gains achieved in programs funded
19 under section 36 are maintained and reinforced.

20 (j) At least 18 of the district's resident children of the
21 age group specified in section 36, as described in section 36 and
22 calculated under section 38, are construed to be in need of spe-
23 cial readiness assistance. A district that receives an alloca-
24 tion under section 21(1) shall also be eligible for an allocation
25 under section 36 if at least 50 children, as described in
26 section 36 and calculated under section 38, are construed to be
27 in need of special readiness assistance, regardless of the

1 percentage they comprise of the district's resident children of
2 the age group specified in section 36. In addition, a consortium
3 of 2 or more districts shall be eligible for an allocation under
4 section 36 if each of those districts has less than 18 of its
5 resident children of the age group specified in section 36, as
6 described in section 36 and calculated under section 38, and in
7 combination the districts' ~~combined~~ number of children who are
8 construed to be in need of special readiness assistance equals or
9 exceeds 18. A district or intermediate district may administer a
10 consortium described in this subdivision.

11 (K) ANY DISTRICT OR INTERMEDIATE DISTRICT WHICH CONDUCTS,
12 ADMINISTERS, OR OPERATES A PRESCHOOL PROGRAM FUNDED WHOLLY OR IN
13 PART BY ALLOCATIONS FROM SECTION 36 FOR 1990-91 AND ANY YEAR
14 THEREAFTER SHALL EXECUTE FAITHFULLY THE PROTOCOLS ESTABLISHED BY
15 THE EARLY CHILDHOOD DEVELOPMENT PROGRAM STUDY FUNDED IN
16 SECTION 101 AND DESCRIBED IN SECTION 503 OF THE 1990-91 ANNUAL
17 APPROPRIATIONS BILL FOR THE DEPARTMENT OF EDUCATION.

18 Sec. 38. The number of prekindergarten children construed
19 to be in need of special readiness assistance under section 36
20 shall be calculated for each district in the following manner:
21 one half of the percentage of the district's pupils who are eli-
22 gible for free lunch, as determined by the district's
23 department-verified ~~1988-89~~ 1989-90 spring count under the
24 national school lunch act, 42 U.S.C. 1751 to 1753, 1755 to 1763,
25 and 1765 to 1769c shall be multiplied by the average kindergarten
26 enrollments of the district on the pupil membership count day of
27 the 2 previous years. THE DEPARTMENT MAY ADOPT REASONABLE

1 PROCEDURES TO PREQUALIFY IN ALL PERTINENT ASPECTS THE ELIGIBILITY
2 AND TENTATIVE ALLOCATIONS OF DISTRICTS, PRIOR TO RECEIPT OF THE
3 BOARD RESOLUTION PRESCRIBED IN SECTION 39.

4 Sec. 39. (1) The tentative allocation to each eligible dis-
5 trict OR INTERMEDIATE DISTRICT under section 36 shall be deter-
6 mined by multiplying the number of children determined in
7 section 38 by \$2,250.00 in ~~+1989-90-~~ 1990-91 and shall be dis-
8 tributed among districts in decreasing order of concentration of
9 eligible pupils as determined by section 38 until the money
10 ~~appropriated~~ ALLOCATED in section 36 is distributed. Not later
11 than ~~November~~ OCTOBER 1, 1990 AND OCTOBER 1 of each year
12 THEREAFTER, each PREQUALIFIED eligible district shall submit to
13 the department a resolution adopted by its board certifying the
14 number of 4-year-old children who will receive comprehensive com-
15 pensatory education funded under this section. ~~The~~ ANY tenta-
16 tive allocation ~~provided in this subsection shall be~~ subse-
17 quently SHALL BE adjusted based IN PART on the number of children
18 certified in the board resolution. Any funds unallocated ~~due to~~
19 ~~this provision~~ shall be redistributed to eligible districts OR
20 INTERMEDIATE DISTRICTS pursuant to this ~~subsection~~ SECTION.

21 (2) A district that receives an allocation under
22 section 21(1) and that has not less than 50 eligible pupils shall
23 receive priority over other eligible districts OR INTERMEDIATE
24 DISTRICTS other than those districts funded under subsection
25 (3).

26 (3) A district OR INTERMEDIATE DISTRICT that received funds
27 under this section in ~~+1988-89-~~ 1989-90 shall receive funds in

1 ~~1989-90~~ 1990-91 for not less than the number of pupils for
2 which the district OR INTERMEDIATE DISTRICT received funds in
3 ~~1988-89~~ 1989-90 and shall receive priority in funding over
4 other eligible districts.

5 (4) For any district with 315 or more eligible pupils, the
6 number of eligible pupils shall be 50% of the number calculated
7 under section 38. However, none of these districts may have less
8 than 315 pupils for purposes of calculating the tentative alloca-
9 tion under section 36.

10 (5) A DISTRICT OR INTERMEDIATE DISTRICT THAT RECEIVES AN
11 ALLOCATION FOR 1990-91 UNDER SECTION 36 SHALL BE CONSTRUED ELIGI-
12 BLE TO CONDUCT, ADMINISTER, OR OPERATE A NONDUPLICATIVE PRESCHOOL
13 PROGRAM FOR 3 CONSECUTIVE SCHOOL YEARS, COMMENCING WITH THE
14 1990-91 SCHOOL YEAR. THE DEPARTMENT SHALL DEVISE AND ADOPT
15 APPROPRIATE PREQUALIFICATION PROCEDURES IN SECTION 38 IN RELIANCE
16 UPON THIS PROVISION.

17 Sec. 40. The department shall review district requests for
18 alternative preschool program schedules on an individual district
19 basis and UPON REQUEST shall report ~~not later than March 15 each~~
20 ~~year~~ their findings regarding the merit of alternative schedul-
21 ing to the house and senate appropriations and education
22 committees.

23 Sec. 41. From the amount appropriated in section 11, there
24 is allocated an amount not to exceed \$4,212,000.00 for ~~1989-90~~
25 1990-91 to applicant districts and intermediate districts offer-
26 ing programs of bilingual instruction for pupils of limited
27 English-speaking ability as required by section 1153 of the

1 school code of 1976. Reimbursement shall be on a per pupil basis
2 and shall be based on the number of pupils of limited
3 English-speaking ability in membership on the pupil membership
4 count day. Funds allocated under this section shall be used
5 solely for the bilingual instruction in speaking, reading, writ-
6 ing, or comprehension of pupils of limited English-speaking
7 ability. As required by section 1155 of the school code of 1976,
8 a child of limited English-speaking ability residing in a school
9 district operating or participating in a bilingual instruction
10 program pursuant to section 1153 of the school code of 1976 shall
11 be enrolled in the bilingual instruction program for 3 years or
12 until the child achieves a level of proficiency in English lan-
13 guage skills sufficient to receive an equal educational opportu-
14 nity in the regular school program, whichever occurs first.

15 Sec. 45. From the amount appropriated in section 11, there
16 is allocated an amount not to exceed \$1,888,000.00 in ~~1989-90~~
17 1990-91 to provide grants to or contract with certain districts
18 and intermediate districts for the provision of a school health
19 education curriculum. Provision of the curriculum shall be in
20 accordance with the plan established by the Michigan model for
21 comprehensive school health education state steering committee.
22 The state steering committee shall be comprised of a representa-
23 tive from each of the following offices and departments:

24 (a) The department of education.

25 (b) The office of health and medical affairs in the depart-
26 ment of management and budget.

1 (c) The department of mental health.

2 (d) The department of public health.

3 (e) The offices of substance abuse services in the depart-
4 ment of public health.

5 (f) The department of social services.

6 (g) The department of state police.

7 Sec. 46. From the amount appropriated in section 11, there
8 is allocated an amount not to exceed \$5,000,000.00 for ~~1989-90~~
9 1990-91 to provide grants to districts for school dropout preven-
10 tion programs approved by the department.

11 Sec. 47. (1) From the amount appropriated in section 11,
12 there is allocated an amount not to exceed \$1,425,000.00 for
13 ~~1989-90~~ 1990-91 to applicant intermediate districts that pro-
14 vide support services for the education of gifted and talented
15 pupils. An intermediate district is entitled to 75% of the
16 actual salary, but not to exceed \$25,000.00 reimbursement for an
17 individual salary, of a support services teacher approved by the
18 department, and not to exceed \$4,000.00 reimbursement for expen-
19 ditures to support program costs, excluding in-county travel and
20 salary, as approved by the department.

21 (2) From the amount appropriated in section 11, there is
22 allocated an amount not to exceed \$400,000.00 for ~~1989-90~~
23 1990-91 to support part of the cost of summer institutes for
24 gifted and talented students. This amount shall be contracted to
25 applicant intermediate districts in cooperation with a local
26 institution of higher education and shall be coordinated by the
27 department.

1 (3) From the amount appropriated in section 11, there is
2 allocated an amount not to exceed \$7,253,100.00 for ~~1989-90~~
3 1990-91 for the development and operation of comprehensive pro-
4 grams for gifted and talented pupils. A district or consortium
5 of districts may be eligible to receive an amount not to exceed
6 \$100.00 per K-12 pupil for up to 5% of the district's or
7 consortium's K-12 membership with a minimum grant of \$6,000.00.
8 Funding shall be provided in the following order: the per pupil
9 allotment, the minimum grant of \$6,000.00 to consortiums, and
10 then the minimum grant of \$6,000.00 to individual districts. An
11 intermediate district may act as the fiscal agent for a consor-
12 tium of districts. In order to be eligible for funding under
13 this subsection, the district or consortium of districts shall
14 submit each year a current 3-year plan for operating a comprehen-
15 sive program for gifted and talented pupils. The plan or revised
16 plan shall be developed in accordance with criteria established
17 by the department and shall be submitted to the department for
18 approval. Within the criteria, the department shall encourage
19 the development of consortia among districts of less than 5,000
20 memberships. To ensure maximum efficiency and to prevent dupli-
21 cation, the department shall not approve a plan that would com-
22 pete with or tend to lessen participation in an existing
23 program.

24 ~~(4) From the amount appropriated in section 11, there is~~
25 ~~allocated to 1 or more intermediate districts selected by the~~
26 ~~department, an amount not to exceed \$50,000.00 for 1989-90 for a~~
27 ~~comprehensive state level evaluation and final report of the~~

~~1 programs funded under subsections (1), (2), and (3). The
2 evaluation design and final report shall be approved by the
3 department. The intermediate districts selected under this sub-
4 section shall submit not later than April 1, 1990 the final
5 report to the senate and house appropriations subcommittees
6 responsible for the appropriations to school districts.~~

7 Sec. 48. (1) From the amount appropriated in section 11,
8 there is allocated an amount not to exceed \$3,150,000.00 for
9 ~~1989-90~~ 1990-91 to applicant districts or intermediate dis-
10 tricts for nonresidential alternative juvenile rehabilitation
11 programs, which are programs for children and youth who have been
12 found to need remedial academic or social rehabilitative serv-
13 ices, or both. To be eligible for funding of salaries from leg-
14 islative appropriations, the county board of commissioners of the
15 county in which the program is conducted or the supervising dis-
16 trict or intermediate district, by resolution, shall agree to
17 fund the balance of the cost of the program. The district or
18 intermediate district in which the program is conducted, in coop-
19 eration with the juvenile division of the probate court for the
20 county, shall supervise the program. The district or intermedi-
21 ate district may apply for state money for reimbursement of
22 \$7,500.00 for the salary of each professional program person
23 required by this section.

24 (2) The department may use federal funds that may become
25 available for the purpose of strengthening nonresidential alter-
26 native juvenile rehabilitation programs.

1 Sec. 51. (1) There is allocated ~~-\$172,355,000.00-~~
2 \$174,355,000.00 for ~~+1989-90-~~ 1990-91 to consist of an amount not
3 to exceed \$121,355,000.00 from the amount appropriated in section
4 11 and ~~-\$51,000,000.00-~~ \$53,000,000.00 in federal funding under
5 sections 611 to 620 of the education of the handicapped act, 20
6 U.S.C. 1411 to 1420 plus any carryover federal funds from prior
7 year appropriations, for the purpose of reimbursing districts and
8 intermediate districts for special education programs, services,
9 and special education personnel as prescribed in article 3 of the
10 school code of 1976; net tuition payments made by intermediate
11 districts to the Michigan school for the blind and the Michigan
12 school for the deaf; and programs for pupils handicapped by
13 learning disabilities as defined by the department. For meeting
14 the costs of special education programs and services not reim-
15 bursed under this article, a district or intermediate district
16 may use money in general funds or special education funds, not
17 otherwise restricted, or contributions from districts to interme-
18 diate districts, tuition payments, gifts and contributions from
19 individuals, or federal funds that may be available for this pur-
20 pose, as determined by the intermediate district plan prepared
21 pursuant to article 3 of the school code of 1976.

22 (2) State funds shall be allocated on an added cost basis.
23 Federal funds shall be allocated under applicable federal
24 requirements, except that an amount not to exceed \$4,000,000.00
25 may be allocated by the department to districts or intermediate
26 districts on a grant basis for programs, equipment, and services

1 designed to benefit or improve special education on a statewide
2 scale.

3 (3) From the amount allocated in section 51(1), there is
4 allocated an amount not to exceed \$3,100,000.00 for ~~1989-90~~
5 1990-91 to reimburse 100% of the net increase in necessary costs
6 incurred by a district or intermediate district in implementing
7 the revisions in the administrative rules for special education
8 that became effective on July 1, 1987. As used in this subsec-
9 tion, "net increase in necessary costs" means the necessary addi-
10 tional costs incurred solely because of new or revised require-
11 ments in the administrative rules minus cost savings permitted in
12 implementing the revised rules. Net increase in necessary costs
13 shall be determined in a manner specified by the department.

14 (4) For purposes of this article:

15 (a) "Added costs" shall be computed by deducting, from the
16 total approved costs of special education programs and services,
17 a gross allowance for each full-time equated special education
18 pupil counted in membership in the district or intermediate dis-
19 trict whose primary educational or training program, as deter-
20 mined by the department, is a special education program and serv-
21 ice as defined in section 6(7) of the school code of 1976.

22 (b) "Total approved costs of special education programs and
23 services" shall be determined in a manner specified by the
24 department and may include indirect costs, but shall not exceed
25 115% of approved direct costs for section 52 and section 53
26 programs. They shall not include salaries or other compensation
27 paid to administrative personnel who are not special education

1 personnel as defined in section 6(6) of the school code of 1976.
2 Costs reimbursed by federal funds, other than those federal funds
3 included in the allocation made under this article, shall not be
4 included. Special education approved personnel not utilized full
5 time in the evaluation of students or in the delivery of special
6 education programs, ancillary, and other related services shall
7 be reimbursed under this section only for that portion of time
8 actually spent providing these programs and services, with the
9 exception of special education programs and services provided to
10 youth placed in juvenile detention facilities as defined in
11 R 340.1757 of the Michigan administrative code. Only salaries
12 and other compensation paid teacher aides required in rules
13 promulgated by the department or as otherwise approved by the
14 department shall be included.

15 (c) Reimbursement for ancillary and other related services,
16 as defined by R 340.1701 of the Michigan administrative code,
17 shall not be provided when those services are covered and avail-
18 able by private group health insurance carriers or federally
19 reimbursed program sources. Expenses, other than the incidental
20 expense of filing, shall not be borne by the parent. In addi-
21 tion, the filing of claims shall not delay the education of a
22 pupil. A school district shall be responsible for payment of a
23 deductible amount and for an advance payment required until the
24 time a claim is paid.

25 (d) A "membership aid gross allowance" shall be computed
26 pursuant to section 21(1).

1 A pupil who is enrolled in a full-time special education
2 program conducted or administered by an intermediate district or
3 a pupil who is enrolled in the Michigan school for the blind or
4 the Michigan school for the deaf shall not be included in the
5 membership count of a district, but shall be counted in member-
6 ship in the intermediate district of residence. A district oper-
7 ating a center program for pupils from several districts, pursu-
8 ant to an approved intermediate district plan, may elect to have
9 the pupils counted in membership in the intermediate district.
10 For each pupil, the intermediate district shall receive under
11 section 21(1) a membership aid gross allowance computed by aver-
12 aging the actual membership aid gross allowances of the interme-
13 diate district's constituent districts weighted as to
14 membership. However, membership aid shall not be paid to inter-
15 mediate districts for pupils who are residents of districts not
16 receiving a membership allocation under section 21(1) and who are
17 enrolled in programs funded under section 52, unless they are
18 enrolled in a center program or are eligible as court placed
19 pupils under section 24(2).

20 (e) The contribution of the resident district, if a pupil's
21 special education program is operated by another district or by
22 an intermediate district, shall be determined as follows:

23 (i) If the district receives an allocation under section
24 21(1) and the pupil is educated in a district not receiving an
25 allocation under section 21(1), by subtracting categorical aid
26 and the intermediate district reimbursement for each pupil from
27 the total cost of the education program.

1 (ii) If the district receives an allocation under section
2 21(1) and the pupil is educated in a district receiving an allo-
3 cation under section 21(1), by subtracting the gross state aid
4 membership allowance, categorical aid, and the intermediate dis-
5 trict reimbursement for each pupil from the total cost of the
6 education program.

7 (iii) If the district does not receive an allocation under
8 section 21(1), by subtracting categorical aid and the intermedi-
9 ate district reimbursement for each pupil from the total cost of
10 the education program.

11 (5) Special education personnel transferred from 1 district
12 to another to implement the school code of 1976 shall be entitled
13 to the rights, benefits, and tenure to which the person would
14 otherwise be entitled had that person been employed by the
15 receiving district originally.

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

23 Sec. 53. (1) Reimbursement shall be 100% of the added costs
24 of operating special education programs and services approved by
25 the department and included in the intermediate district plan
26 adopted pursuant to article 3 of the school code of 1976 for the
27 following special education pupils:

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

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

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

11 (d) Pupils placed in a district by a parent for the purpose
12 of seeking a suitable home, and the parent does not reside in the
13 same intermediate district as the pupil's placement.

14 (e) Pupils who are residents of nursing homes whose educa-
15 tional programs are approved by the department.

16 (f) Pupils who are residents of special placement homes
17 approved by the department.

18 Only those costs that are clearly and directly attributable
19 to educational programs for pupils described in this subsection,
20 and that would not in fact have been incurred if the pupils were
21 not being educated in a district or intermediate district, shall
22 be reimbursed under this section.

23 (2) The costs of transportation shall be funded under this
24 section but shall not be reimbursed under article 7.

25 (3) Not more than ~~\$38,900,000.00~~ \$24,000,000.00 for
26 ~~1989-90~~ 1990-91 of the allocation in section ~~5+(1)~~ shall be
27 allocated under this section.

1 Sec. 54. In addition to the aid received under section 52,
2 each intermediate district shall receive an amount per pupil for
3 each pupil in attendance at the Michigan school for the blind or
4 the Michigan school for the deaf. This amount shall be propor-
5 tionate to the total instructional cost at each school. Not more
6 than \$1,688,000.00 for ~~+1989-90-~~ 1990-91 of the allocation in
7 section 51(1) shall be allocated under this section.

8 Sec. 55. From the amount allocated in section 51(2), there
9 is allocated an amount not to exceed \$400,000.00 for ~~+1989-90-~~
10 1990-91 to applicant districts and intermediate districts to be
11 used in a program developed by the department for pupils who have
12 a communication impairment. Preference shall be given to grant
13 applications that request the purchase of equipment that is
14 designed and manufactured within this state. Upon approval by
15 the department, an applicant district or intermediate district
16 may participate in the program and receive a grant for the pur-
17 chase or other service utilization of equipment or for the test-
18 ing of individuals and the determination of a need for equipment
19 designed for the use of individuals with a communication impair-
20 ment, or their instructors, to provide artificial communication
21 ability or to enhance natural communication abilities. Equipment
22 purchased with funds allocated under this section shall be avail-
23 able to pupils 12 months of the year.

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

25 (a) "Membership" means the total membership of the interme-
26 diate school and the districts constituent to the intermediate
27 district.

1 (b) "Millage levied" means the millage levied for special
 2 education pursuant to part 30 of the school code of 1976, includ-
 3 ing a levy for debt service obligations.

4 (c) "State equalized valuation" means the total state equal-
 5 ized valuation of the districts constituent to an intermediate
 6 district, except that if a district has elected not to come under
 7 part 30 of the school code of 1976, membership and state equal-
 8 ized valuation of the district shall not be included in the mem-
 9 bership and state equalized valuation of the intermediate
 10 district.

11 (2) From the amount appropriated in section 11, there is
 12 allocated the amount necessary to reimburse intermediate dis-
 13 tricts levying millages for special education pursuant to part 30
 14 of the school code of 1976. The purpose, use, and expenditure of
 15 the reimbursement shall be limited as if the funds were generated
 16 by these millages and governed by the intermediate district plan
 17 adopted pursuant to article 3 of the school code of 1976. As a
 18 condition of receiving funds under this section, an intermediate
 19 district distributing any portion of special education millage
 20 funds to its constituent districts shall submit for departmental
 21 approval and implement a distribution plan that utilizes at least
 22 a membership aid gross allowance, as defined in section 51(4)(d),
 23 as a required local contribution.

24 (3) Reimbursement for those millages levied in ~~1988-89~~
 25 1989-90 shall be made in ~~1989-90~~ 1990-91 at an amount per
 26 ~~1988-89~~ 1989-90 membership pupil computed by subtracting from
 27 ~~\$68,250.00~~ \$68,800.00 the ~~1988-89~~ 1989-90 state equalized

1 valuation behind each membership pupil, and multiplying the
2 resulting difference by the ~~1988-89~~ 1989-90 millage levied.

3 Sec. 61. (1) From the amount appropriated in section 11,
4 there is allocated an amount not to exceed \$28,560,000.00 for
5 ~~1989-90~~ 1990-91 to reimburse districts and secondary area
6 vocational-technical centers for secondary-level
7 vocational-technical education programs, including parenthood
8 education programs, on an added cost basis. The definition of
9 what constitutes those programs and reimbursement shall be pursu-
10 ant to rules promulgated by the state board. Applications for
11 participation in the programs shall be filed in the form pre-
12 scribed by the department. The department shall determine the
13 added cost for each vocational-technical program area. The allo-
14 cation of added cost funds shall be based on the type of
15 vocational-technical programs provided, the number of pupils
16 enrolled, and the length of the training period provided, and
17 shall not exceed 75% of the added cost of any program. The board
18 of a district maintaining a secondary vocational-technical educa-
19 tion program, with the approval of the department, may offer the
20 program for the period from the close of the school year until
21 September 1. The program shall use existing facilities and shall
22 be operated as prescribed by rules promulgated by the state
23 board.

24 (2) Districts and intermediate districts shall be reimbursed
25 for local vocational administration, shared time vocational
26 administration, and career education planning district
27 vocational-technical administration. The definition of what

1 constitutes administration and reimbursement shall be pursuant to
2 guidelines adopted by the state board. Not more than \$800,000.00
3 of the allocation in subsection (1) shall be distributed under
4 this subsection.

5 (3) Districts that were designated as area
6 vocational-technical centers by the state board before January 1,
7 1971, may count in membership, with permission of the district of
8 residence, pupils enrolled in vocational-technical education pro-
9 grams in any of the districts in the designated service area if
10 all of the following conditions are met:

11 (a) The district has been designated the fiscal agent for
12 all area vocational-technical education programs in each of the
13 participating districts in the designated service area.

14 (b) The designated service area has held at least 1 election
15 to establish an area vocational-technical education program pur-
16 suant to section 681 of the school code of 1976.

17 (c) The designated service area presently is not supported
18 by area vocational-technical education millage passed pursuant to
19 the provisions of section 681 of the school code of 1976.

20 (d) The fiscal conditions described in this subsection are
21 included as a part of the career education planning district's
22 annual vocational plan approved by the department.

23 (4) A district subjected to a deduction under section 21(4)
24 is not required to allocate more money to a program funded under
25 this article than the amount actually received by the district
26 after reducing its state aid allocation by the percentage
27 reduction determined under section 21(4).

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

2 (a) "Membership" means the total membership of the interme-
3 diate district and the districts constituent to the intermediate
4 district or the total membership of the area vocational-technical
5 education program.

6 (b) "Millage levied" means the millage levied for area
7 vocational-technical education pursuant to sections 681 to 690 of
8 the school code of 1976, including a levy for debt service obli-
9 gations incurred as the result of borrowing for capital outlay
10 projects and in meeting building and site fund requirements of
11 area vocational-technical education.

12 (c) "State equalized valuation" means the total state equal-
13 ized valuation of the districts constituent to an intermediate
14 district or area vocational-technical education program, except
15 that if a district has elected not to come under sections 681 to
16 690 of the school code of 1976, the membership and state equal-
17 ized valuation of the district shall not be included in the mem-
18 bership and state equalized valuation of the intermediate
19 district.

20 (2) From the amount appropriated in section 11, there is
21 allocated the amount necessary to reimburse intermediate dis-
22 tricts, and area vocational-technical education programs estab-
23 lished under section 690(3) of the school code of 1976, levying
24 millages for area vocational-technical education pursuant to sec-
25 tions 681 to 690 of the school code of 1976. The purpose, use,
26 and expenditure of the reimbursement shall be limited as if the
27 funds were generated by those millages.

1 (3) Reimbursement for the millages levied in ~~+1988-89-~~
2 1989-90 shall be made in ~~+1989-90-~~ 1990-91 at an amount per
3 ~~+1988-89-~~ 1989-90 membership pupil computed by subtracting from
4 ~~-\$68,250.00-~~ \$68,800.00 the ~~+1988-89-~~ 1989-90 state equalized
5 valuation behind each membership pupil, and multiplying the
6 resulting difference by the ~~+1988-89-~~ 1989-90 millage levied.

7 Sec. 63. From the amount appropriated in section 11, there
8 is allocated an amount not to exceed \$1,456,000.00 for ~~+1989-90-~~
9 1990-91 to reimburse districts, intermediate districts, and sec-
10 ondary area vocational-technical centers for programs that pre-
11 pare and train youth and adults in occupations that are impacted
12 by new and emerging technology. These funds shall be used to pay
13 for instructional equipment. Applications for participation in
14 the programs shall be filed in the form prescribed by the
15 department. Upon approval by the department, an applicant dis-
16 trict or intermediate district shall receive a grant for instruc-
17 tional equipment on a cost-sharing basis.

18 Sec. 71. (1) From the amount appropriated in section 11,
19 there is allocated an amount not to exceed \$102,000,000.00 for
20 ~~+1989-90-~~ 1990-91 to fund districts and intermediate districts
21 transporting pupils by school bus, passenger van, station wagon,
22 or adequate vehicle of ample capacity from the vicinity of their
23 homes to the schools the pupils attend, or from their homes or
24 schools to area vocational centers or other facilities providing
25 approved occupational or cooperative academic programs and back
26 again in amounts determined by the department. Funding for
27 contracted transportation services or transportation services

1 provided through the use of public transit systems shall be the
2 same as for district-owned bus fleets.

3 (2) Districts and intermediate districts shall be funded for
4 transporting pupils whose primary educational or training pro-
5 gram, as determined by the department, is a special education
6 program as defined in section 6(7) of the school code of 1976,
7 from their homes or schools to approved special education pro-
8 grams, including summer programs, for which the district or
9 intermediate district receives added-cost reimbursement under
10 section 52, and back again.

11 (3) Upon investigation, the department shall review, con-
12 firm, set aside, or amend the action, order, or decision of the
13 board of a district with reference to the routes over which the
14 pupils shall be transported, the distance the pupils shall be
15 required to walk, and the suitability and number of vehicles and
16 equipment for the transportation of the pupils.

17 (4) An allotment for transportation shall not be allowed a
18 district which operates a bus route disapproved by the
19 department.

20 (5) Districts having pupils living in remote or isolated
21 areas from which transportation to and from regularly scheduled
22 classes is either impossible or prohibitively expensive for sea-
23 sonal periods of less than half of the regularly scheduled school
24 year may establish, with department approval, alternative tutor-
25 ing programs and be reimbursed under this section for 75% of the
26 approved costs of the programs.

1 Sec. 72. (1) Transportation aid for the ~~1989-90~~ 1990-91
2 school year shall be based upon an allowance for each pupil
3 transported and calculated for each district and intermediate
4 district by the department on the basis of the following
5 factors:

6 (a) An overhead allowance of \$10.00 per pupil based upon the
7 following:

8 (i) Transportation staff per 100 pupils transported.

9 (ii) Bus fleet capacity per pupil transported.

10 (b) A regional allowance of between \$15.00 and \$37.00 per
11 pupil, depending on the region, based upon the following:

12 (i) Transportation staff salary.

13 (ii) Regional cost variation.

14 (c) An amortization cost per pupil of 100% of cost, with a
15 minimum of \$20.00 per pupil, for pupil transportation vehicles.

16 (d) An insurance cost per pupil of 100% of cost for pupil
17 transportation vehicles.

18 (e) Authorized miles traveled per pupil of \$1.00 per mile,
19 with an adjustment for districts with low mileage per pupil such
20 that the \$1.00 may be increased on a sliding scale up to \$1.20
21 per mile.

22 The allocation shall be based upon current year data
23 reported by the districts and intermediate districts. Special
24 education transportation aid shall be calculated separately and
25 shall use the vehicle as the funding unit. The total transporta-
26 tion allowance for a district shall be calculated by multiplying
27 the sum of (a), (b), (c), (d), and (e) by the number of pupils

1 actually transported. The rate of aid for contracted
 2 transportation services or transportation services provided
 3 through the use of public transit systems shall be comparable for
 4 district-owned bus fleets.

5 (2) Districts and intermediate districts may apply to the
 6 department for exceptions to the district's formula transporta-
 7 tion allowance regarding the costs of transporting pupils when
 8 exceptional conditions or circumstances impose unavoidably
 9 unusual expenses for transporting district students to their reg-
 10 ularly scheduled classes. The department shall report not later
 11 than March 15 of each year to the house and senate appropriations
 12 and education committees all exceptions granted under this sub-
 13 section for the current year.

14 Sec. 81. (1) From the amount appropriated in section 11,
 15 there is allocated to the intermediate districts the sum neces-
 16 sary, but not to exceed ~~-\$21,714,200.00~~ \$24,000,000.00 for
 17 ~~1989-90~~ 1990-91, to provide state aid to intermediate
 18 districts. There shall be allocated to each intermediate dis-
 19 trict an amount obtained by adding ~~+05.3%~~ 104.2% of the prior
 20 year's aid received under this section and ~~+05.3%~~ 104.2% of the
 21 product of the prior year's state equalized valuation and the
 22 prior year's operating millage, and subtracting from that sum the
 23 product of the current year's state equalized valuation and the
 24 prior year's operating millage. However, an intermediate dis-
 25 trict shall not receive less than an amount per pupil equal to
 26 100% of the ~~+1988-89~~ 1989-90 aid per pupil received under this
 27 section.

1 (2) From the amount appropriated in section 11, there is
2 allocated to an intermediate district, formed by the consolida-
3 tion or annexation of 2 or more intermediate districts or the
4 attachment of a total intermediate district to another intermedi-
5 ate school district or the annexation of all of the constituent
6 K-12 districts of a previously existing intermediate school dis-
7 trict which has disorganized, an additional allotment of
8 \$3,500.00 for each intermediate district included in the new
9 intermediate district for 3 years following consolidation, annex-
10 ation, or attachment.

11 (3) From the amount appropriated in section 11, there is
12 allocated an amount not to exceed \$200,000.00 for ~~1989-90~~
13 1990-91 to applicant intermediate districts that provide support
14 services for instruction in arts education. An applicant dis-
15 trict may apply for a \$25,000.00 grant pursuant to guidelines and
16 criteria for selection, as developed by the department, which
17 assure regional representation for all schools according to geo-
18 graphical and population consideration. Funds received under
19 this subsection shall be designated for reimbursement of salaries
20 of support services personnel approved by the department or of
21 expenditures to support program costs as approved by the
22 department.

23 Sec. 83. From the amount appropriated in section 11, there
24 is allocated to intermediate districts an amount not to exceed
25 \$3,478,100.00 for ~~1989-90~~ 1990-91, to operate educational media
26 centers under section 671 of the school code of 1976 and the
27 rules promulgated by the state board.

1 Sec. 90. (1) From the amount appropriated in section 11,
2 there is allocated an amount not to exceed \$2,000,000.00 for
3 ~~1989-90~~ 1990-91 to provide funds to districts for innovative
4 and diversified educational programs. Funds received by a dis-
5 trict shall be used for purposes of school redesign as identified
6 in the district's plan as described in this section and as
7 approved by the department.

8 (2) From the amount allocated in subsection (1),
9 \$2,000,000.00, but not more than \$50,000.00 per eligible class-
10 room building, is provided to applicant districts for a pilot
11 school-level building program to improve school performance by
12 restructuring the educational delivery system. A grant awarded
13 to an applicant district may be used for planning or implementing
14 school restructuring, or both. To be eligible for funding under
15 this subsection, a board shall submit to the department a plan
16 developed by principals, teachers, parents, community leaders, or
17 other representatives of participating schools within the
18 district. The plan shall indicate how 1 or more schools within
19 the district will be restructured by reallocating existing human
20 and monetary resources to better serve pupils. A plan may
21 include, but is not limited to, all of the following:

22 (a) A provision for school site management teams comprised
23 of principals, teachers, parents, pupils, community leaders, and
24 other representatives of a particular school who will develop,
25 review, and revise, as necessary, innovative ways of redesigning
26 and improving the educational delivery system in the school.

1 (b) A restructuring of methods of teaching, including, but
2 not limited to, the use of time, the composition and size of
3 instructional groups, and the use of telecommunications.

4 (c) A restructuring of the responsibilities and organization
5 of the teaching staff.

6 (d) The use of alternative methods of assessing pupil
7 achievement, including, but not limited to, competency based
8 testing and promotion and the use of pupil projects and
9 exhibitions.

10 (e) The use of new instructional methods and curricula that
11 explore subject areas in greater depth or that encourage the
12 development of analytical skills, objective reasoning, and criti-
13 cal thinking.

14 (3) The department shall do both of the following:

15 (a) Upon request of a board, provide technical assistance to
16 schools engaged in school restructuring at both the planning and
17 implementation stages.

18 (b) Monitor and report not later than September 30, ~~1990~~
19 1991 to the senate and house committees that have the responsi-
20 bility for education legislation on the status of schools engaged
21 in school restructuring.

22 Sec. 91. (1) From the amount appropriated in section 11,
23 there is allocated an amount not to exceed \$2,250,000.00 for
24 ~~1989-90~~ 1990-91 to applicant districts, intermediate districts,
25 and consortia of districts and intermediate districts to provide
26 support services for developing and adopting long-range school
27 improvement plans, to prepare and distribute an annual education

1 report, and to adopt a core curriculum as a means of raising
2 academic standards and improving school accountability. Each
3 district and intermediate district is eligible to receive a mini-
4 mum of \$640.00 per classroom building. If funds remain after
5 allocation to all applicant districts and intermediate districts,
6 these funds shall be distributed proportionately among buildings
7 that have more than 30 classroom teachers. An intermediate dis-
8 trict may act as the fiscal agent for a consortium of districts
9 or intermediate districts, or both.

10 (2) In order to be eligible for funding under this section,
11 an applicant district or intermediate district shall submit to
12 the department for approval a proposal for developing and adopt-
13 ing 3- to 5-year school improvement plans and a core curriculum.
14 The proposal shall be developed in accordance with criteria
15 established by the department.

16 (3) From the amount appropriated in section 11, there is
17 allocated an amount not to exceed \$150,000.00 for ~~+1989-90-~~
18 1990-91 to intermediate districts to provide regional support
19 services and technical assistance for school improvement planning
20 for districts. In order to receive funds under this subsection,
21 an intermediate district shall submit an application in accord-
22 ance with criteria established by the state board.

23 Sec. 93. (1) From the amount appropriated in section 11,
24 there is allocated an amount not to exceed \$945,000.00 for
25 ~~+1989-90-~~ 1990-91 to be used for the salaries of teachers in
26 alternative education programs for school age expectant parents
27 and school age parents and their children, as approved by the

1 department under section 1301 of the school code of 1976.

2 Districts and intermediate districts providing approved programs
3 shall be entitled to 75% of the actual cost of the salary, not to
4 exceed \$8,100.00 for an individual salary, of each teacher
5 approved by the department.

6 (2) From the amount appropriated in section 11, there is
7 allocated an amount not to exceed \$315,000.00 for ~~1989-90~~
8 1990-91 to support the operation of model school age parents'
9 projects approved by the department.

10 Sec. 96. From the amount appropriated in section 11, there
11 is allocated an amount not to exceed \$3,120,000.00 for ~~1989-90~~
12 1990-91 to be used by districts conducting community school pro-
13 grams approved by the department.

14 Sec. 97. (1) From the amount appropriated in section 11,
15 there is allocated an amount not to exceed \$3,016,000.00 for
16 ~~1989-90~~ 1990-91 to applicant districts and intermediate dis-
17 tricts for local professional and nonprofessional staff
18 development. Each district and intermediate district shall be
19 eligible to receive \$25.00 per professional staff member. Each
20 district or intermediate district with a professional staff equal
21 to or greater than 500, or a consortium of districts, intermedi-
22 ate districts, or a combination of districts and intermediate
23 districts with professional staff equal to or greater than 500,
24 or a combination of districts and intermediate districts within
25 the same county with professional staff equal to or greater than
26 250, or an intermediate district consortium that includes all of
27 its constituent districts regardless of the number of staff

1 members shall be eligible for an additional \$10.00 per
2 professional staff member upon completion of an application, as
3 approved by the department, to be submitted by November 1, ~~1989~~
4 1990.

5 (2) Applications submitted for receipt of funds under this
6 section shall include all of the following:

7 (a) Identification of the district, intermediate district,
8 or consortium needs assessment for staff development by the local
9 policy board.

10 (b) Identification of the goals and objectives of a staff
11 development program by the local policy board.

12 (c) Identification of the process for program development
13 and identification of potential resources such as colleges, uni-
14 versities, community colleges, and intermediate districts.

15 (d) Identification of the process for program evaluation.

16 (e) Designation of a program coordinator.

17 (f) Designation of a policy board with a minimum of 11
18 members. The teacher representatives shall be appointed by the
19 teachers' collective bargaining agent or elected by all teachers
20 in an area where there is not a collective bargaining agent. The
21 policy board shall consist of a majority of teachers with the
22 balance of the board composed of representatives of district or
23 intermediate district boards of education, administrators, non-
24 professional staff, and other support personnel.

25 (g) Designation of a legal fiscal agent.

26 (h) An explanation, if appropriate, of how funds received
27 under this section will be expended for nonprofessional staff.

1 (3) Participation by staff may be voluntary.

2 (4) A 3-year plan shall be submitted which prioritizes util-
3 ization of staff development funds. This plan may include, but
4 is not limited to, locally identified needs in the following
5 areas:

6 (a) Equal educational opportunity, including title IX of the
7 education amendments of 1972, Public Law 92-318, 86 Stat. 235;
8 title VI of the civil rights act of 1964, Public Law 88-352, 78
9 Stat. 252; and section 504 of the rehabilitation act of 1973, 29
10 U.S.C. 794.

11 (b) Management training for administrators.

12 (c) Utilization of assessment results for district and
13 building level improvement in the basic skills.

14 (d) Working with pupils with special needs including work in
15 bilingual programs, mainstreaming programs, and gifted and tal-
16 ented pupils' programs.

17 (e) Upgrading of teaching skills in the teacher's major and
18 minor subject areas as provided on his or her teaching certifi-
19 cate or those areas in which the teacher has not had recent
20 classroom experience or training.

21 (f) Implementation of the state school health education
22 curriculum.

23 (g) Utilizing computers in the educational process.

24 (h) Career education in-service programs.

25 (i) The use of fine arts and multi-modal approach to teach-
26 ing in the general curricula and school improvement process.

1 (5) Not more than 15% of the money received may be used for
2 program coordination without department approval.

3 (6) The funds allocated under this section shall not be
4 expended for facility rental, overhead charges, or stipend
5 payments.

6 (7) A legal fiscal agent may be a district or an intermedi-
7 ate district.

8 (8) The department shall submit a progress report to the
9 legislature not later than April 1 of each year on all staff
10 activities funded under this section.

11 (9) Additional general fund revenue which becomes available
12 for districts or intermediate districts for local professional
13 and nonprofessional staff development and career education
14 in-service programs is appropriated for that purpose. An amount
15 equal to the additional general fund revenue which becomes avail-
16 able for districts or intermediate districts for local profes-
17 sional and nonprofessional staff development and career education
18 in-service programs shall be deducted from the amount appropri-
19 ated in section 11, as allocated pursuant to subsection (1), and
20 shall be credited to the general fund of the state. This subsec-
21 tion does not apply to funds provided to a district or an inter-
22 mediate district through this act.

23 (10) As used in this section, "nonprofessional staff" means
24 nonprofessional staff who work with school children.

25 Sec. 98. (1) From the amount appropriated in section 11,
26 there is allocated an amount not to exceed \$1,872,000.00 for
27 ~~1989-90~~ 1990-91 to applicant districts and intermediate

1 districts approved by the department for the development of
2 professional development programs in the areas of mathematics,
3 science, computer literacy-competency, structured linguistics
4 taught through a multisensory approach, reading, writing and com-
5 position, and other curricular areas.

6 (2) In order to be eligible for funding under this section,
7 the applicant district or intermediate district shall submit a
8 proposal for developing and operating professional development
9 programs for teachers and administrators. The proposal shall be
10 developed in accordance with criteria established by the depart-
11 ment and shall be submitted to the department for approval. The
12 criteria used by the department to approve programs shall
13 include, but not be limited to, all of the following:

14 (a) Encouraging consortia among districts, community col-
15 leges, universities, and professional organizations.

16 (b) Developing training guidelines that show the relation-
17 ship of curriculum goals within the content areas of mathematics,
18 science, computer literacy-competency, and writing and composi-
19 tion to the general goals of the K to 12 program.

20 (c) Developing assessment strategies to identify major
21 target audiences and training content needs in mathematics,
22 science, computer literacy-competency, and writing and
23 composition.

24 (3) Community colleges and teacher preparation institutions
25 may enter into agreements with districts or intermediate dis-
26 tricts that have been awarded grants under this section.

1 Sec. 101. (1) To be eligible to receive state aid under
2 this act, not later than the third Friday following the pupil
3 membership count day, each district superintendent through the
4 secretary of the district's board shall file with the intermedi-
5 ate superintendent a certified and sworn copy of the district's
6 enrollment for the current school year. In addition, a district
7 maintaining school during the entire year, as provided under sec-
8 tion 1561 of the school code of 1976, shall file with the inter-
9 mediate superintendent a certified and sworn copy of the enroll-
10 ment for the current school year pursuant to rules promulgated by
11 the state board. In case of failure to file the sworn and certi-
12 fied copy not later than the third Friday following the pupil
13 membership count day or pursuant to rules promulgated by the
14 state board, state aid due to be distributed on December 1 under
15 this act shall be withheld from the defaulting district. A
16 person who willfully falsifies a figure or statement in the cer-
17 tified and sworn copy of enrollment shall be punished in the
18 manner prescribed by the laws of this state.

19 (2) Each district shall provide a minimum of 180 days of
20 pupil instruction. Except as provided in subsections (6) and
21 (7), a district failing to hold 180 days of pupil instruction
22 shall forfeit $1/180$ of its total state aid appropriation for each
23 day of failure. A district failing to comply with rules promul-
24 gated by the state board, which rules establish the minimum time
25 pupil instruction is to be provided to pupils for the regular
26 school year, shall forfeit from its total state aid allocation an
27 amount determined by applying a ratio of the time duration the

1 district was in noncompliance in relation to the minimum time
2 pupil instruction is required. A district failing to meet both
3 the minimum 180 days of pupil instruction requirement and the
4 prescribed time of pupil instruction requirement shall be pena-
5 lized only the higher of the 2 amounts calculated under the for-
6 feiture provisions of this subsection. Not later than August 1,
7 the board of each district shall certify to the department the
8 number of days of pupil instruction in the previous school year.
9 If the district did not hold at least 180 days of pupil instruc-
10 tion, the deduction of state aid shall be made in the following
11 fiscal year from the first payment of state school aid. Days
12 lost because of strikes or teachers' conferences shall not be
13 counted as days of pupil instruction. A district not having 70%
14 of the district's membership in attendance on any day shall
15 receive state aid in that proportion of 1/180 that the actual
16 percent of attendance bears to 70%. The state board shall
17 promulgate rules for the implementation of this subsection.

18 (3) The first 2 days when pupil instruction is not provided
19 because of conditions not within the control of school authori-
20 ties, such as severe storms, fires, epidemics, or health condi-
21 tions as defined by the city, county, or state health authori-
22 ties, shall be counted as days of pupil instruction. Subsequent
23 such days shall not be counted as days of pupil instruction.

24 ~~(4) The language of subsection (3) that specifies when cer-~~
25 ~~tain days shall not be counted as days of pupil instruction does~~
26 ~~not apply to a district that has 1 or more collective bargaining~~
27 ~~agreements that obligate the district to provide compensation for~~

~~1 those days not eligible to be counted as days of pupil
2 instruction under that subsection. This exemption shall apply
3 for the duration of those agreements in effect on the effective
4 date of the amendatory act that adds this subsection. This sub-
5 section does not apply after June 30, 1987.~~

6 (4) ~~(5)~~ A district shall not be allotted or paid a sum
7 under this act in a fiscal year if the department determines that
8 at the end of the preceding school fiscal year the amount of
9 funds on hand in the district available for the payment of the
10 operation cost in the district exceeded the amount of money
11 expended for operation cost in the district during the preceding
12 school fiscal year. ~~This subsection does not apply to alloca-
13 tions made under section 146 for the fiscal years ending
14 September 30, 1988 and September 30, 1989.~~

15 (5) ~~(6)~~ A district shall not forfeit part of its state aid
16 appropriation if it adopts or has in existence an alternative
17 scheduling program for pupils in kindergarten, which program is
18 approved by the state board.

19 Sec. 111. (1) Except as provided in section 113, a district
20 having tuition pupils enrolled on the pupil membership count day
21 of each year shall charge the district in which the tuition
22 pupils reside the tuition rate computed under section 1401 of the
23 school code of 1976, except tuition shall not be charged for
24 adult part-time pupils. The resulting tuition rates shall be
25 reduced by the gross per pupil membership guarantee provided
26 under section 21(1), except that the following districts shall
27 charge the full per capita operating cost determined under

1 section 1401 of the school code of 1976 for tuition pupils other
2 than special education pupils served in center programs:

3 (a) A district not receiving a membership allowance under
4 section 21(1).

5 (b) A district that would not receive a membership allowance
6 under section 21(1) if tuition pupils were not included in mem-
7 bership in the receiving district.

8 (c) A district enrolling pupils, other than special educa-
9 tion pupils, who reside in a district that is legally liable for
10 the payment of the tuition and levies a lower operating millage
11 than the district enrolling the pupils.

12 (2) A district enrolling pupils who reside in a district
13 that does not receive a membership allowance under section 21(1)
14 shall charge the resident district the full per capita operating
15 costs. This subdivision does not apply to pupils receiving 1/2
16 or less of their instruction in a district or districts other
17 than their district of residence.

18 (3) A pupil for whom the full per capita operating cost, as
19 determined under section 1401 of the school code of 1976, is
20 charged as tuition under subsection (1) or (2) shall not be
21 counted in membership in the receiving district for purposes of
22 calculating state aid allocations under sections 21(1) and 143.
23 A pupil for whom the full per capita operating cost, as deter-
24 mined under section 1401 of the school code of 1976, is paid by
25 the pupil's district of residence under subsection (1) or (2),
26 shall be counted in membership in the pupil's district of

1 residence solely for purposes of calculating state aid
2 allocations under sections 21(1) and 143.

3 (4) Special education tuition pupils enrolled in center pro-
4 grams in a district not receiving a net allocation under section
5 21(1) shall be counted in membership in the intermediate district
6 to which the district is constituent, and the resulting member-
7 ship aid shall be paid by the intermediate district to the
8 receiving district and deducted from the tuition rates charged
9 the sending district. An additional allowance for nonpublic,
10 nonresident pupils in part-time membership shall be made to the
11 district receiving nonpublic, nonresident pupils in an amount
12 equal to the difference between the per capita cost as determined
13 under section 1401 of the school code of 1976 and the gross
14 allowance calculated under section 21(1).

15 (5) A DISTRICT WHICH MUST COUNT PUPILS IN MEMBERSHIP BECAUSE
16 OF SUBSECTION (2) OR (3) MAY, AT ITS OPTION, ELECT TO COUNT ONLY
17 THAT NUMBER OF PUPILS AS SHALL PERMIT THE DISTRICT TO OBTAIN A
18 GROSS ALLOWANCE UNDER SECTION 21.1. THE REMAINING NUMBER OF
19 PUPILS NOT SO COUNTED THEN SHALL BE ADDED TO THE PUPIL COUNT IN
20 THE RESPECTIVE EDUCATING DISTRICT OR DISTRICTS.

21 Sec. 121. The valuation of a whole or fractional district
22 shall be the total state equalized valuation of the property con-
23 tained in the whole or fractional district as last ~~fixed~~
24 DETERMINED by the state tax commission and placed on the ad
25 valorem tax roll. For purposes of computations made under this
26 act, except as provided in section 26, the state equalized
27 valuation of a district or intermediate district shall include

1 the value of property used to calculate the tax imposed on
 2 lessees or users of tax-exempt property under Act No. 189 of the
 3 Public Acts of 1953, being sections 211.181 to 211.182 of the
 4 Michigan Compiled Laws. Adjustments to this state equalized val-
 5 uation shall be made for all of the following:

6 (a) State tax tribunal decisions.

7 (b) Court decisions.

8 (c) ~~County~~ LOCAL board of review adjustments made after
 9 the state tax commission determination.

10 (d) Lands deeded to the state for jurisdictions without
 11 delinquent tax revolving funds or for jurisdictions that have
 12 required repayment to the delinquent tax revolving funds.

13 (e) The requirements of this act.

14 Sec. 143. (1) From the amount appropriated in section 11,
 15 there shall be allocated to each eligible district for ~~1989-90~~
 16 1990-91 the following amount per pupil, except as provided in
 17 subsection (2):

18 (a) Add the following:

19 (i) 105% of the previous year's membership aid per pupil
 20 received under section 21(1).

21 (ii) 105% of the previous year's membership aid per pupil
 22 received under this section.

23 (iii) 105% of the product of the previous year's state
 24 equalized valuation per pupil and the 1975-76 millage levied for
 25 purposes included in the operation cost of the district as pre-
 26 scribed in section 7.

1 (b) From the sum obtained in subdivision (a), subtract the
2 following:

3 (i) The current year's membership aid per pupil received
4 under section 21(1) or the membership aid per pupil which would
5 be due the district if the current year's formula were applied to
6 the 1975-76 operating millage, whichever is greater.

7 (ii) The product of the current year's state equalized valu-
8 ation per pupil and the 1975-76 operating millage levied.

9 (2) A district shall not receive a greater amount per pupil
10 under subsection (1) than was received by the district in the
11 prior year.

12 (3) The purpose, use, and expenditure of aid received under
13 this section shall be limited as if the funds were generated by
14 ad valorem taxes levied for operating purposes.

15 Sec. 144. (1) From the amount appropriated in section 11,
16 there is allocated an amount not to exceed \$130,000.00 for
17 ~~1989-90~~ 1990-91 to applicant districts not receiving a member-
18 ship allocation under section 21(1), that have sustained an SEV
19 reduction due to the listing of forest land under Act No. 94 of
20 the Public Acts of 1925, being sections 320.301 to 320.314 of the
21 Michigan Compiled Laws, and that levied 25.615 mills or 35.16
22 mills for operating purposes in 1985-86.

23 (2) An applicant district's entitlement shall be determined
24 as follows:

25 (a) A potential property tax payment shall be determined by
26 multiplying the total acreage of the district under Act No. 94 of
27 the Public Acts of 1925 by \$75.00 per acre. This product shall

1 then be multiplied by the operating millage rate of the
2 district.

3 (b) From the amount computed under subdivision (a) shall be
4 subtracted all payments received by the district for the commer-
5 cial forest land, including specific and yield and withdrawal tax
6 revenue.

7 Sec. 145. From the amount appropriated in section 11, there
8 is allocated for ~~+1989-90~~ 1990-91 an amount sufficient to pay
9 the state share of desegregation costs mandated by the federal
10 court before June 1, 1983, in Berry v school district of the city
11 of Benton Harbor, United States district court for the western
12 district of Michigan, docket no. C.A. 9.

13 Sec. 146. (1) Except as otherwise provided in this act,
14 from the amount appropriated in section 11, there is allocated to
15 each district and intermediate district FOR 1990-91 an amount
16 equal to the ~~employer's share of the~~ EMPLOYER district's or
17 EMPLOYER intermediate district's SHARE OF THE federal social
18 security CONTRIBUTION obligations, 7.65% on calendar ~~+1989~~ 1990
19 employee's wage base ~~up to \$48,000.00,~~ and 7.65% on calendar
20 ~~+1990~~ 1991 employee's wage base, up to ~~\$50,000.00~~ THE WAGE
21 BASE LIMITATIONS IMPOSED BY FEDERAL STATUTE.

22 (2) Except as otherwise provided in this act, the state
23 shall not ~~assume the employer's share of~~ ASSIST PAYMENT OF THE
24 federal social security CONTRIBUTION obligations for the feder-
25 ally funded employees of the EMPLOYER district or EMPLOYER inter-
26 mediate district, nor for individuals employed pursuant to the
27 Michigan youth corps act, Act No. 69 of the Public Acts of 1983,

1 being sections 409.221 to 409.229 of the Michigan Compiled Laws,
2 or the Michigan opportunity and skills training program or
3 project self-reliance, both administered by the department of
4 social services, or any successor of either of these 2 programs.

5 (3) Monthly payments to ASSIST EMPLOYER districts or
6 EMPLOYER intermediate districts ~~for~~ IN MEETING THEIR social
7 security CONTRIBUTION obligations ~~only~~, shall be disbursed on a
8 fiscal year schedule. These payments are determined by multiply-
9 ing ~~the state's percentage contribution by~~ 7.65% AGAINST the
10 estimated base payroll for each covered employee for the quar-
11 terly periods beginning in October of the school year. The state
12 payments shall be prospective estimates, based upon data to be
13 submitted to the department in a form and manner as required by
14 the department. Payments ~~required to satisfy social security~~
15 ~~obligations of each district or intermediate district shall be~~
16 adjusted by the department as necessary to reflect actual
17 requirements of preceding completed payrolls and payroll periods
18 ~~and~~ shall be adjusted finally by the department for the
19 fiscal year ending September 30. ~~, 1989 pursuant to section 41~~
20 ~~of the public school employees retirement act of 1979, Act~~
21 ~~No. 300 of the Public Acts of 1980, being section 38.1341 of the~~
22 ~~Michigan Compiled Laws.~~

23 (4) ~~Each district or intermediate district shall remit~~
24 ~~directly to the appropriate federal government agency the total~~
25 ~~employer share and the total employee share of the district's or~~
26 ~~intermediate district's social security obligation. Social~~
27 ~~security contributions shall not be remitted to the social~~

~~1 security contribution fund as otherwise required by section 42(6)~~
~~2 of Act No. 300 of the Public Acts of 1980, being section 38.1342~~
~~3 of the Michigan Compiled Laws.~~ THE DEPARTMENT SHALL CONDUCT AN
4 ADMINISTRATIVE STUDY TO DETERMINE THE COST UTILITY TO THE STATE,
5 THE INTERDISTRICT EQUITY TO BE ACHIEVED, AND THE SHORT-TERM DIS-
6 TRICT FUNDING DIFFICULTIES PERTAINING TO LABOR CONTRACTS OR
7 AGREEMENTS ALREADY IN FORCE, FROM THE ADOPTION OF INDEXATION OR
8 OTHER LIMITING RULE OF ALLOCATING SCHOOL AID ASSISTANCE FOR FED-
9 ERAL SOCIAL SECURITY CONTRIBUTIONS OF EMPLOYER DISTRICTS AND
10 EMPLOYER INTERMEDIATE DISTRICTS. THE DEPARTMENT SHALL REPORT NOT
11 LATER THAN MARCH 15, 1991, TO THE GOVERNOR AND TO THE RESPECTIVE
12 HOUSES OF THE LEGISLATURE AN EXECUTIVE SUMMARY OF THE STUDY'S
13 RESULTS AND, WITHIN 90 DAYS THEREAFTER, MAKE AVAILABLE TO THE
14 SAME PARTIES A FULL REPORT OF ITS FINDINGS AND RECOMMENDATIONS.

15 Sec. 159. Not later than February 1, ~~1990~~ 1991, the
16 department shall report to the senate and house appropriations
17 subcommittees responsible for appropriations to school districts
18 and the senate and house committees responsible for education on
19 the implementation and impact of a schools of choice program.
20 The report shall address, but not be limited to, all of the
21 following:

22 (a) Program planning and evaluation at the district and
23 building level, including the role of parents, teachers, adminis-
24 trators, and pupils.

25 (b) Pupil transportation.

26 (c) Achievement of racial balance within school buildings.

1 (d) Pupil and parent counseling and information
2 dissemination.

3 (e) Pupil assignment and transfer policies.

4 (f) Administration and decision making at the district and
5 building levels.

6 Sec. 164. In ~~1989-90~~ 1990-91, a district or intermediate
7 district shall forfeit an amount of funds to which the district
8 or intermediate district otherwise would be entitled under this
9 act equal to the district's or intermediate district's expendi-
10 tures in the ~~1988-89~~ 1989-90 fiscal year for cars for board
11 members, and for chauffeurs for board members or administrators.

12 Sec. 166. For ~~1989-90~~ 1990-91, a district in which a
13 school official, member of a board, or other person dispenses or
14 otherwise distributes a family planning drug or device in a
15 public school in violation of section 1507 of the school code of
16 1976, Act No. 451 of the Public Acts of 1976, being section
17 380.1507 of the Michigan Compiled Laws, dispenses prescriptions
18 for any family planning drug, or makes referrals for abortions
19 shall forfeit 5% of its total state aid appropriation.

20 Section 2. In accordance with the provisions of section 30
21 of article IX of the state constitution of 1963, total state
22 spending in this amendatory act is \$2,694,208,800.00 for 1990-91
23 and state appropriations to be paid to local units of government
24 are \$2,299,208,800.00.

25 Section 3. Sections 19d and 34a of Act No. 94 of the Public
26 Acts of 1979, being sections 388.1619d and 388.1634a of the
27 Michigan Compiled Laws, are repealed.

1 Section 4. This amendatory act shall take effect October 1,
2 1990.