

HOUSE BILL No. 5621

March 19, 1990, Introduced by Reps. DeMars, Scott, Keith, Bartnik, Wallace, Hoffman, Dolan, Murphy, Joe Young, Jr., Strand, DeBeaussiaert, Nye, Stallworth, Law, Hart, Emerson, Gubow, Hickner, Stopczynski, Weeks, Kosteva, Barns, Webb, Jonker, Stupak, Saunders, Trim, London, Camp, Randall and Middaugh and referred to the Committee on Education.

A bill to amend sections 21, 47, 51, 97, and 108 of Act No. 94 of the Public Acts of 1979, entitled as amended "The state school aid act of 1979," as amended by Act No. 197 of the Public Acts of 1989, being sections 388.1621, 388.1647, 388.1651, 388.1697, and 388.1708 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 21, 47, 51, 97, and 108 of Act No. 94
2 of the Public Acts of 1979, as amended by Act No. 197 of the
3 Public Acts of 1989, being sections 388.1621, 388.1647, 388.1651,
4 388.1697, and 388.1708 of the Michigan Compiled Laws, are amended
5 to read as follows:

6 Sec. 21. (1) Except as otherwise provided in this act, from
7 the amount appropriated in section 11, there is allocated to each
8 district an amount per membership pupil sufficient to guarantee

1 the district for 1989-90 a combined state-local yield or gross
2 allowance of \$266.00 plus \$83.61 for each mill of operating tax
3 levied. For purposes of this section, only taxes levied for pur-
4 poses included in the operation cost of the district as pre-
5 scribed in section 7 shall be considered operating tax. The net
6 allocation for each district shall be an amount per membership
7 pupil computed by subtracting, from the gross allowance guaran-
8 teed the district, the product of the district's state equalized
9 valuation behind each membership pupil and the millage utilized
10 for computing the gross allowance. IN ORDER TO RECEIVE FUNDS
11 UNDER THIS SUBSECTION, A DISTRICT THAT OPERATES AN ADULT EDUCA-
12 TION PROGRAM ON A COOPERATIVE BASIS SHALL COMPLY WITH PART 25A OF
13 THE SCHOOL CODE OF 1976, BEING SECTIONS 380.1608 TO 380.1610I OF
14 THE MICHIGAN COMPILED LAWS.

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

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

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

23 (ii) One year of health, or consumer home economics essen-
24 tial health and living skills, or physical education, or any com-
25 bination 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 six classes, each consisting of at least 50 minutes of class-
14 room instruction or a total of not less than 300 minutes of
15 classroom instruction. In either case, at least 30% of the
16 pupils in grades 9 through 12 shall be enrolled in the sixth
17 period, with the sixth period being a class of an academic nature
18 that normally would be credited toward high school graduation.
19 This subdivision does not apply to pupils in grade 9 who do not
20 attend classes in the same building as pupils in grades 10
21 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, an official copy of the board
3 minutes indicating compliance with the requirements specified in
4 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 a resolution adopted by its board indicating that it complies
13 with this requirement.

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

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

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

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

24 (i) General subject classroom teachers, such as teachers of
25 reading, language arts, mathematics, science, or social studies,
26 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, a resolution adopted
23 by its board indicating that the district complies with the
24 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%, except that the percentage shall
6 not exceed 99%, and shall be applied after the following adjust-
7 ments which shall be based upon per pupil or per professional
8 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 27, 53, 75, 143, and 144 shall
23 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 in 1989-90.

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. 47. (1) From the amount appropriated in section 11,
5 there is allocated an amount not to exceed \$1,425,000.00 for
6 1989-90 to applicant intermediate districts that provide support
7 services for the education of gifted and talented pupils. An
8 intermediate district is entitled to 75% of the actual salary,
9 but not to exceed \$25,000.00 reimbursement for an individual
10 salary, of a support services teacher approved by the department,
11 and not to exceed \$4,000.00 reimbursement for expenditures to
12 support program costs, excluding in-county travel and salary, as
13 approved by the department.

14 (2) From the amount appropriated in section 11, there is
15 allocated an amount not to exceed \$400,000.00 for 1989-90 to sup-
16 port part of the cost of summer institutes for gifted and tal-
17 ented students. This amount shall be contracted to applicant
18 intermediate districts in cooperation with a local institution of
19 higher education and shall be coordinated by the department.

20 (3) From the amount appropriated in section 11, there is
21 allocated an amount not to exceed \$7,253,100.00 for 1989-90 for
22 the development and operation of comprehensive programs for
23 gifted and talented pupils. A district ~~or consortium of~~
24 ~~districts~~ may be eligible to receive an amount not to exceed
25 \$100.00 per K-12 pupil for up to 5% of the district's ~~or~~
26 ~~consortium's~~ K-12 membership with a minimum grant of \$6,000.00.
27 Funding shall be provided in the following order: the per pupil

1 allotment, ~~the minimum grant of \$6,000.00 to consortiums,~~ and
2 then the minimum grant of \$6,000.00 to individual districts. ~~An~~
3 ~~intermediate district may act as the fiscal agent for a consor-~~
4 ~~tium of districts.~~ In order to be eligible for funding under
5 this subsection, the district ~~or consortium of districts~~ shall
6 submit each year a current 3-year plan for operating a comprehen-
7 sive program for gifted and talented pupils. The plan or revised
8 plan shall be developed in accordance with criteria established
9 by the department and shall be submitted to the department for
10 approval. ~~Within the criteria, the department shall encourage~~
11 ~~the development of consortia among districts of less than 5,000~~
12 ~~memberships.~~ To ensure maximum efficiency and to prevent dupli-
13 cation, the department shall not approve a plan that would com-
14 pete with or tend to lessen participation in an existing
15 program.

16 (4) From the amount appropriated in section 11, there is
17 allocated to 1 or more intermediate districts selected by the
18 department, an amount not to exceed \$50,000.00 for 1989-90 for a
19 comprehensive state-level evaluation and final report of the pro-
20 grams funded under subsections (1), (2), and (3). The evaluation
21 design and final report shall be approved by the department. The
22 intermediate districts selected under this subsection shall
23 submit not later than April 1, 1990 the final report to the
24 senate and house appropriations subcommittees responsible for the
25 appropriations to school districts.

26 Sec. 51. (1) There is allocated \$172,355,000.00 for 1989-90
27 to consist of an amount not to exceed \$121,355,000.00 from the

1 amount appropriated in section 11 and \$51,000,000.00 in federal
2 funding under sections 611 to 620 of the education of the handi-
3 capped act, 20 U.S.C. 1411 to 1420 plus any carryover federal
4 funds from prior year appropriations, for the purpose of reim-
5 bursing districts and intermediate districts for special educa-
6 tion programs, services, and special education personnel as pre-
7 scribed in article 3 of the school code of 1976; net tuition pay-
8 ments made by intermediate districts to the Michigan school for
9 the blind and the Michigan school for the deaf; and programs for
10 pupils handicapped by learning disabilities as defined by the
11 department. For meeting the costs of special education programs
12 and services not reimbursed under this article, a district or
13 intermediate district may use money in general funds or special
14 education funds, not otherwise restricted, or contributions from
15 districts to intermediate districts, tuition payments, gifts and
16 contributions from individuals, or federal funds that may be
17 available for this purpose, as determined by the intermediate
18 district plan prepared pursuant to article 3 of the school code
19 of 1976.

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

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

13 (4) For purposes of this article:

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

21 (b) "Total approved costs of special education programs and
22 services" shall be determined in a manner specified by the
23 department and may include indirect costs, but shall not exceed
24 115% of approved direct costs for section 52 and section 53
25 programs. They shall not include salaries or other compensation
26 paid to administrative personnel who are not special education
27 personnel as defined in section 6(6) of the school code of 1976.

1 Costs reimbursed by federal funds, other than those federal funds
2 included in the allocation made under this article, shall not be
3 included. Special education approved personnel not utilized full
4 time in the evaluation of students or in the delivery of special
5 education programs, ancillary, and other related services shall
6 be reimbursed under this section only for that portion of time
7 actually spent providing these programs and services, with the
8 exception of special education programs and services provided to
9 youth placed in juvenile detention facilities as ~~defined~~

10 DESCRIBED in R 340.1757 of the Michigan administrative code.

11 Only salaries and other compensation paid teacher aides required
12 in rules promulgated by the department or as otherwise approved
13 by the department shall be included.

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

24 (d) A ~~—~~ membership aid gross allowance ~~—~~ shall be com-
25 puted pursuant to section 21(1).

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

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

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

21 (i) If the district receives an allocation under section
22 21(1) and the pupil is educated in a district not receiving an
23 allocation under section 21(1), by subtracting categorical aid
24 and the intermediate district reimbursement for each pupil from
25 the total cost of the education program.

26 (ii) If the district receives an allocation under section
27 21(1) and the pupil is educated in a district receiving an

1 allocation under section 21(1), by subtracting the gross state
2 aid membership allowance, categorical aid, and the intermediate
3 district reimbursement for each pupil from the total cost of the
4 education program.

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

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

14 (5) ~~(6)~~ If a district or intermediate district uses money
15 received under this section for a purpose other than the purpose
16 or purposes for which the money is allocated, the department may
17 require the district or intermediate district to refund the
18 amount of money received. Money ~~which~~ THAT is refunded shall
19 be deposited in the state treasury to the credit of the school
20 aid fund.

21 Sec. 97. (1) From the amount appropriated in section 11,
22 there is allocated an amount not to exceed \$3,016,000.00 for
23 1989-90 to applicant districts and intermediate districts for
24 local professional and nonprofessional staff development. Each
25 district and intermediate district ~~shall be~~ IS eligible to
26 receive \$25.00 per professional staff member. Each district or
27 intermediate district with a professional staff equal to or

1 greater than 500 ~~, or a consortium of districts, intermediate~~
2 ~~districts, or a combination of districts and intermediate dis-~~
3 ~~tricts with professional staff equal to or greater than 500, or a~~
4 ~~combination of districts and intermediate districts within the~~
5 ~~same county with professional staff equal to or greater than 250,~~
6 ~~or an intermediate district consortium that includes all of its~~
7 ~~constituent districts regardless of the number of staff members~~
8 ~~shall be~~ IS eligible for an additional \$10.00 per professional
9 staff member upon completion of an application, as approved by
10 the department, to be submitted by November 1, 1989.

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

13 (a) Identification of the district ~~OR~~ intermediate dis-
14 trict ~~, or consortium~~ needs assessment for staff development by
15 the local policy board.

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

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

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

22 (e) Designation of a program coordinator.

23 (f) Designation of a policy board with a minimum of 11
24 members. The teacher representatives shall be appointed by the
25 teachers' collective bargaining agent or elected by all teachers
26 in an area where there is not a collective bargaining agent. The
27 policy board shall consist of a majority of teachers with the

1 balance of the board composed of representatives of district or
2 intermediate district boards of education, administrators, non-
3 professional staff, and other support personnel.

4 (g) Designation of a legal fiscal agent.

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

7 (3) Participation by staff may be voluntary.

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

12 (a) Equal educational opportunity, including title IX of the
13 education amendments of 1972, Public Law 92-318, 86 Stat. 235;
14 title VI of the civil rights act of 1964, Public Law 88-352, 78
15 Stat. ~~252~~ 241; and section 504 of the rehabilitation act of
16 1973, 29 U.S.C. 794.

17 (b) Management training for administrators.

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

20 (d) Working with pupils with special needs including work in
21 bilingual programs, mainstreaming programs, and gifted and tal-
22 ented pupils' programs.

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

1 (f) Implementation of the state school health education
2 curriculum.

3 (g) Utilizing computers in the educational process.

4 (h) Career education in-service programs.

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

7 (5) Not more than 15% of the ~~money~~ FUNDS received UNDER
8 THIS SECTION may be used for program coordination without depart-
9 ment approval.

10 (6) The funds allocated under this section shall not be
11 expended for facility rental, overhead charges, or stipend
12 payments.

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

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

18 (9) Additional general fund revenue ~~which~~ THAT becomes
19 available for districts or intermediate districts for local pro-
20 fessional and nonprofessional staff development and career educa-
21 tion in-service programs is appropriated for that purpose. An
22 amount equal to the additional general fund revenue ~~which~~ THAT
23 becomes available for districts or intermediate districts for
24 local professional and nonprofessional staff development and
25 career education in-service programs shall be deducted from the
26 amount appropriated in section 11, as allocated pursuant to
27 subsection (1), and shall be credited to the general fund of the

1 state. This subsection does not apply to funds provided to a
2 district or an intermediate district through this act.

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

5 Sec. 108. (1) A district operating an adult education pro-
6 gram and receiving an allocation under section 21(1) shall DO ALL
7 OF THE FOLLOWING:

8 (a) Provide the program within the geographic boundaries of
9 the district.

10 (b) Develop course descriptions for all adult basic and high
11 school completion courses approved by the board ~~of education~~
12 ~~which shall be~~ AND MAKE THE DESCRIPTIONS available for review by
13 the department not later than October 1 of each school year.

14 (c) Have on file a planned program for adult basic education
15 or a planned program for a high school diploma, or both, for each
16 individual enrolled in an adult basic education program or adult
17 high school completion program, or both, comparable to planned
18 programs maintained for a pupil in the regular program of the
19 district.

20 (d) Ensure that the adult high school completion program is
21 comparable to the requirements and standards of other high school
22 completion programs in that district. If modifications are made
23 in programs or courses, or both, to accommodate adult needs, A
24 DISTRICT SHALL MAKE THE specific rationale for the modifications
25 ~~shall be~~ available for review BY THE DEPARTMENT.

26 (e) Maintain pupil records comparable to those maintained
27 for the regular high school program of that district.

1 (f) Submit to the department not later than October 30 each
2 year a report describing the district's activities in the fiscal
3 year ending the immediately preceding September 30 that pertain
4 to requirements set forth in subdivisions (d) and (e).

5 (2) ~~Two or more K to 12 districts may conduct adult educa-~~
6 ~~tion programs on a cooperative basis. Cooperating districts~~
7 ~~shall enter into an annual written agreement which shall cover~~
8 ~~all of the high school completion programs and adult basic educa-~~
9 ~~tion programs offered within the participating districts.~~
10 ~~Exceptions to this provision may be made with the approval of the~~
11 ~~department. An agreement shall include the educational, adminis-~~
12 ~~trative, management, operational, and financial matters concern-~~
13 ~~ing adult education programs and services offered by all the par-~~
14 ~~ticipating districts. One district shall be designated in the~~
15 ~~agreement as the administrator of the adult education cooperative~~
16 ~~program and shall operate the program as a direct extension of~~
17 ~~the district, except that the pupils~~ PUPILS enrolled in ~~the~~ A
18 COOPERATIVE EDUCATION program PROVIDING ADULT EDUCATION may be
19 counted on the pupil membership count day of the district in
20 which the pupils' classes are held. The ADMINISTERING district
21 ~~serving as the administrator~~ of the ~~adult education~~ program
22 shall pay only reasonable fees for services, facilities, and
23 utilities provided directly to the program by a ~~cooperative~~
24 COOPERATING district. These fees shall reflect only actual costs
25 to the cooperating district. ~~No other payments may be made to a~~
26 ~~cooperating district by the district serving as the administrator~~
27 ~~of the adult education program.~~ EXCEPT AS PROVIDED BY PART 25A

1 OF THE SCHOOL CODE OF 1976, BEING SECTIONS 380.1608 TO 380.1610I
2 OF THE MICHIGAN COMPILED LAWS, AN ADMINISTERING DISTRICT SHALL
3 NOT MAKE ANY OTHER PAYMENTS TO A COOPERATING DISTRICT. The fee
4 schedule to be paid by the ~~administrative~~ ADMINISTERING dis-
5 trict of the ~~adult education~~ program shall be included as part
6 of the ~~annual written agreement between cooperating districts~~
7 COOPERATIVE EDUCATION PLAN DESCRIBED IN SECTION 1610A OF THE
8 SCHOOL CODE OF 1976. The ~~administrative~~ ADMINISTERING district
9 shall maintain for 5 years records of fees paid under the
10 ~~agreement~~ PLAN. The funds generated by the administering dis-
11 trict shall be used to support actual reasonable costs of the
12 adult education ~~programs~~ PROGRAM in the cooperative program
13 with the exception that THE administering ~~districts~~ DISTRICT
14 may use revenues in addition to that needed to meet the costs of
15 the adult education program to provide supplemental services
16 within the ~~consortium~~ COOPERATING DISTRICTS in the areas of
17 early childhood education, alternative education, dropout preven-
18 tion, community education, teen parent programs for youth, or
19 other ~~department approved~~ DEPARTMENTAL-APPROVED education
20 programs.

21 (3) A district ~~which~~ THAT does not receive an allocation
22 under section 21(1), with the approval of the department, may
23 enter into a cooperative arrangement with a district ~~which~~ THAT
24 receives membership aid for the purpose of obtaining educational
25 services for adult pupils. ~~These~~ THE cooperative
26 ~~arrangements~~ ARRANGEMENT shall meet the same conditions as
27 those listed in subsection (2).

1 (4) A district ~~which~~ THAT operates an adult education
2 program under subsection (2) and enrolls pupils from districts
3 not receiving an allocation under section 21(1) or not levying
4 operating millage equal to or greater than that of the district
5 ~~which~~ THAT operates the program shall receive for those pupils
6 the lesser of the following gross allowances:

7 (a) The operating district's gross allowance.

8 (b) A gross allowance computed by averaging the actual gross
9 allowances weighted as to membership of the constituent districts
10 in the intermediate district of the operating district.

11 Section 2. This amendatory act shall not take effect unless
12 Senate Bill No. ____ or House Bill No. 5620 (request no. 02333'89)
13 of the 85th Legislature is enacted into law.