

SENATE BILL No. 42

January 11, 1989, Introduced by Senators SCHWARZ, DE GROW, N. SMITH
and WELBORN and referred to the Committee on Education and Mental
Health.

A bill to amend sections 6, 17, and 101 of Act No. 94 of the
Public Acts of 1979, entitled as amended

"The state school aid act of 1979,"

sections 6 and 17 as amended by Act No. 318 of the Public Acts of
1988 and section 101 as amended by Act No. 298 of the Public Acts
of 1986, being sections 388.1606, 388.1617, and 388.1701 of the
Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 6, 17, and 101 of Act No. 94 of the
2 Public Acts of 1979, sections 6 and 17 as amended by Act No. 318
3 of the Public Acts of 1988 and section 101 as amended by Act
4 No. 298 of the Public Acts of 1986, being sections 388.1606,
5 388.1617, and 388.1701 of the Michigan Compiled Laws, are amended
6 to read as follows:

1 Sec. 6. (1) "Center program" means a program operated by a
2 district or intermediate district for special education pupils
3 from several districts in programs for the autistically impaired,
4 trainable mentally impaired, severely mentally impaired, severely
5 multiply impaired, hearing impaired, physically and otherwise
6 health impaired, visually impaired, and programs for emotionally
7 impaired housed in buildings that do not serve regular education
8 pupils. Unless otherwise approved by the department, a center
9 program either shall serve all constituent districts within an
10 intermediate district or shall serve several districts with less
11 than 50% of the pupils residing in the operating district.

12 (2) "Membership", except as otherwise provided in sections
13 56 and 62, means the number of full-time equivalent pupils in
14 grades K to 12 actually enrolled and in regular daily attendance
15 on the pupil membership count ~~day~~ DAYS as determined by the
16 number of pupils registered for attendance, plus pupils received
17 by transfer and minus pupils lost as defined by rules promulgated
18 by the state board. SPECIFICALLY, THE FINAL MEMBERSHIP FOR A
19 DISTRICT SHALL BE EQUAL TO THE SUM OF .87 TIMES THE FALL MEMBER-
20 SHIP, PLUS .13 TIMES THE SPRING MEMBERSHIP. In a district operat-
21 ing an extended school year program approved by the state board,
22 a pupil enrolled, but not scheduled to be in regular daily
23 attendance on ~~the~~ A pupil membership count day, shall be
24 counted. The department shall give a uniform interpretation of
25 full-time and part-time memberships. The state board may provide
26 a district with an adjustment of the district's membership count
27 upon the showing of a substantial increase in membership due to

1 the closing of a nonpublic school after ~~the~~ A pupil membership
2 count day. In a district offering classes that are scheduled for
3 a full year in which different pupils participate in different
4 sessions, full-time equated memberships shall be determined by
5 dividing the number of class hours scheduled and provided per
6 year per pupil by 900 for elementary and secondary pupils and by
7 480 for adult pupils.

8 (3) "Pupil" means a person in membership in a public
9 school. A district must have the approval of the pupil's dis-
10 trict of residence to count the pupil in membership, except
11 approval by the pupil's district of residence shall not be
12 required for adult or nonpublic part-time pupils, for pupils
13 receiving 1/2 or less of their instruction in a district other
14 than their district of residence, or for those pupils who were
15 enrolled and in regular daily attendance and remain enrolled and
16 in regular daily attendance in the district other than their dis-
17 trict of residence before April 1, 1981.

18 (4) "Pupil dropout measurement count day" of a district
19 means either the third or fourth Friday in February each school
20 year.

21 (5) "Pupil membership count day" of a district means:

22 (a) The fourth Friday following Labor day AND THE FOURTH
23 FRIDAY IN APRIL each school year.

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

26 (i) Fourth Friday in July.

1 (ii) Fourth Friday in October.

2 (iii) Fourth Friday in January.

3 (iv) Fourth Friday in April.

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

20 (d) For the 1988-89 school year only, for a district whose
21 pupils are not in regular daily attendance on the pupil member-
22 ship count day or on any of the 15 regular school days before the
23 pupil membership count day, at the option of the district, either
24 the second or the third Friday following the first Monday after
25 either the start or resumption of pupil instruction.

26 (6) "Rule" means a rule promulgated pursuant to the
27 administrative procedures act of 1969, Act No. 306 of the Public

1 Acts of 1969, as amended, being sections 24.201 to 24.328 of the
2 Michigan Compiled Laws.

3 (7) "The school code of 1976" means Act No. 451 of the
4 Public Acts of 1976, as amended, being sections 380.1 to 380.1852
5 of the Michigan Compiled Laws.

6 (8) "School fiscal year" means a fiscal year which commences
7 July 1 and continues through June 30.

8 (9) "State board" means the state board of education.

9 (10) "Tuition pupil" means a pupil of school age attending
10 school in a district other than the pupil's district of
11 residence. A pupil's district of residence shall not require a
12 high school tuition pupil, as provided under section 111, to
13 attend another school district after the pupil has been assigned
14 to a school district.

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 interme-
6 diate district is entitled pursuant to this act. The amount dis-
7 tributed on August 1 shall be considered for state accounting
8 purposes to be allocated for the months of August and September.
9 Funds allocated to districts or intermediate districts shall be
10 considered allocated for use within the district or intermediate
11 district fiscal year in which the payments are received under the
12 payment schedule of this section. If a district experiences an
13 increase in membership over the prior year, the August 1 payment
14 shall be recomputed so that the district receives credit for the
15 increased membership in the school fiscal year, with the addi-
16 tional amount due the district to be allocated in the February 1,
17 April 1, or June 1 payments or any combination of these
18 payments. However, this additional amount shall then be deducted
19 from the district's subsequent August 1 payment ~~—~~ so that the
20 state pays the district no more ~~—~~ in the state's fiscal year
21 ~~—~~ than the district's proper entitlement under this act.

22 (2) Payments made pursuant to subsection (1) shall be
23 adjusted so that districts and intermediate districts receive, in
24 addition, in their 1982-83 school fiscal year those amounts by
25 which their 1982-83 school fiscal year payments were reduced due
26 to executive order 1982-13. Payments in subsequent fiscal years
27 shall be adjusted so that districts and intermediate districts

1 receive not later than October 31 of their school fiscal year
2 those amounts by which the payments of that school fiscal year
3 were reduced due to this subsection.

4 (3) Payments made pursuant to subsection (1) shall be
5 adjusted so that districts and intermediate districts receive, in
6 addition, in their 1983-84 school fiscal year 60% of those
7 amounts by which their 1983-84 school fiscal year payments were
8 reduced due to Executive Order 1983-5. Payments in subsequent
9 fiscal years shall be adjusted so that districts and intermediate
10 districts receive not later than October 31 for each school
11 fiscal year those amounts by which the payments of that school
12 fiscal year were reduced due to this subsection.

13 (4) In order to ensure that all districts and intermediate
14 districts receive the adjustments provided for in subsections (2)
15 and (3), the department may make any necessary adjustments in
16 individual district and intermediate district payments.

17 (5) Monthly payments to districts or intermediate districts,
18 for federal social security obligations only, shall be disbursed
19 by the state treasurer pursuant to section 146. The department
20 shall prepare a monthly statement of the amount to be distributed
21 to the districts or intermediate districts and deliver the state-
22 ment to the state treasurer. The state treasurer shall draw a
23 warrant in favor of the treasurer of each district or intermedi-
24 ate district for the amount payable to the district or intermedi-
25 ate district according to the statement and deliver the warrant
26 to the treasurer of each district or intermediate district.

1 (6) BEGINNING WITH THE 1988-1989 FISCAL YEAR, THE AUGUST
2 PAYMENT TO EACH DISTRICT AND INTERMEDIATE DISTRICT SHALL BE
3 ADJUSTED, IF APPROPRIATE, TO REFLECT A YEARLY MEMBERSHIP BASED
4 UPON THE SUM OF .87 TIMES THE FALL MEMBERSHIP, PLUS .13 TIMES THE
5 SPRING MEMBERSHIP.

6 Sec. 101. (1) To be eligible to receive state aid under
7 this act, not later than the third Friday following ~~the~~ EACH
8 pupil membership count day, each district superintendent, through
9 the secretary of the district's board, shall file with the inter-
10 mediate superintendent a certified and sworn copy of the
11 district's enrollment. ~~for the current school year.~~ In addi-
12 tion, a district maintaining school during the entire year ~~as~~
13 ~~provided under section 1561 of the school code of 1976,~~ shall
14 file with the intermediate superintendent a certified and sworn
15 copy of the enrollment for the current school year pursuant to
16 rules promulgated by the state board. ~~In case of failure~~ IF A
17 DISTRICT SUPERINTENDENT FAILS to file the sworn and certified
18 copy not later than the third Friday following the FALL pupil
19 membership count day or pursuant to rules promulgated by the
20 state board, state aid due to be distributed on December 1 under
21 this act shall be withheld from the defaulting district. IF A
22 DISTRICT SUPERINTENDENT FAILS TO FILE THE SWORN AND CERTIFIED
23 COPY NOT LATER THAN THE THIRD DAY FRIDAY FOLLOWING THE SPRING
24 PUPIL MEMBERSHIP COUNT DAY OR PURSUANT TO RULES PROMULGATED BY
25 THE STATE BOARD, STATE AID DUE TO BE DISTRIBUTED ON AUGUST 1
26 UNDER THIS ACT SHALL BE WITHHELD FROM THE DEFAULTING DISTRICT. A
27 person who willfully falsifies a figure or statement in the

1 certified and sworn copy of enrollment shall be punished in the
2 manner prescribed by the laws of this state.

3 (2) Each district shall provide a minimum of 180 days of
4 pupil instruction. Except as provided in subsections (6) and
5 (7), a district failing to hold 180 days of pupil instruction
6 shall forfeit $1/180$ of its total state aid appropriation for each
7 day of failure. A district failing to comply with rules promul-
8 gated by the state board, which rules establish the minimum time
9 pupil instruction is to be provided to pupils for the regular
10 school year, shall forfeit from its total state aid allocation an
11 amount determined by applying a ratio of the time duration the
12 district was in noncompliance in relation to the minimum time
13 pupil instruction is required. A district failing to meet both
14 the minimum 180 days of pupil instruction requirement and the
15 prescribed time of pupil instruction requirement shall be pena-
16 lized only the higher of the 2 amounts calculated under the for-
17 feiture provisions of this subsection. Not later than August 1,
18 the board of each district shall certify to the department the
19 number of days of pupil instruction in the previous school year.
20 If the district did not hold at least 180 days of pupil instruc-
21 tion, the deduction of state aid shall be made in the following
22 fiscal year from the first payment of state school aid. Days
23 lost because of strikes or teachers' conferences shall not be
24 counted as days of pupil instruction. A district not having 70%
25 of the district's membership in attendance on any day shall
26 receive state aid in that proportion of $1/180$ that the actual

1 percent of attendance bears to 70%. The state board shall
2 promulgate rules for the implementation of this subsection.

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

9 ~~(4) The language of subsection (3) that specifies when cer-~~
10 ~~tain days shall not be counted as days of pupil instruction does~~
11 ~~not apply to a district that has 1 or more collective bargaining~~
12 ~~agreements that obligate the district to provide compensation for~~
13 ~~those days not eligible to be counted as days of pupil instruc-~~
14 ~~tion under that subsection. This exemption shall apply for the~~
15 ~~duration of those agreements in effect on the effective date of~~
16 ~~the amendatory act that adds this subsection. This subsection~~
17 ~~does not apply after June 30, 1987.~~

18 (4) ~~(5)~~ A district shall not be allotted or paid a sum
19 under this act in a fiscal year if the department determines that
20 at the end of the preceding school fiscal year the amount of
21 funds on hand in the district available for the payment of the
22 operation cost in the district exceeded the amount of money
23 expended for operation cost in the district during the preceding
24 school fiscal year.

25 (5) ~~(6)~~ A district shall not forfeit part of its state aid
26 appropriation if it adopts or has in existence an alternative

1 scheduling program for pupils in kindergarten, which program is
2 approved by the state board.