

# SENATE BILL No. 226

March 7, 1989, Introduced by Senator GAST and referred to the  
Committee on Appropriations.

A bill to amend sections 6, 8, 11, 19, 21, 22, 24, 25, 29, 31, 33, 35, 36, 38, 39, 40, 41, 45, 46, 47, 48, 51, 53, 54, 55, 56, 61, 62, 63, 71, 72, 81, 83, 93, 96, 97, 98, 107, 108, 143, 144, 145, 146, 164, and 166 of Act No. 94 of the Public Acts of 1979, entitled as amended

"The state school aid act of 1979,"

sections 6, 11, 21, 22, 24, 25, 31, 33, 35, 36, 38, 40, 41, 45, 46, 47, 51, 53, 54, 55, 56, 61, 62, 63, 71, 72, 81, 83, 93, 96, 97, 98, 107, 108, 143, 144, 145, 146, 164, and 166 as amended and sections 8, 19, and 29 as added by Act No. 318 of the Public Acts of 1988 and sections 39 and 48 as amended by Act No. 509 of the Public Acts of 1988, being sections 388.1606, 388.1608, 388.1611, 388.1619, 388.1621, 388.1622, 388.1624, 388.1625, 388.1629, 388.1631, 388.1633, 388.1635, 388.1636, 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, 388.1693, 388.1696, 388.1697, 388.1698, 388.1707, 388.1708, 388.1743, 388.1744, 388.1745, 388.1746, 388.1764, and 388.1766 of the Michigan Compiled Laws; to add sections 90, 91, 92, and 147; and to repeal certain parts of the act.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Section 1. Sections 6, 8, 11, 19, 21, 22, 24, 25, 29, 31,  
2 33, 35, 36, 38, 39, 40, 41, 45, 46, 47, 48, 51, 53, 54, 55, 56,  
3 61, 62, 63, 71, 72, 81, 83, 93, 96, 97, 98, 107, 108, 143, 144,  
4 145, 146, 164, and 166 of Act No. 94 of the Public Acts of 1979,  
5 sections 6, 11, 21, 22, 24, 25, 31, 33, 35, 36, 38, 40, 41, 45,  
6 46, 47, 51, 53, 54, 55, 56, 61, 62, 63, 71, 72, 81, 83, 93, 96,  
7 97, 98, 107, 108, 143, 144, 145, 146, 164, and 166 as amended and  
8 sections 8, 19, and 29 as added by Act No. 318 of the Public Acts  
9 of 1988 and sections 39 and 48 as amended by Act No. 509 of the  
10 Public Acts of 1988, being sections 388.1606, 388.1608, 388.1611,  
11 388.1619, 388.1621, 388.1622, 388.1624, 388.1625, 388.1629,  
12 388.1631, 388.1633, 388.1635, 388.1636, 388.1638, 388.1639,  
13 388.1640, 388.1641, 388.1645, 388.1646, 388.1647, 388.1648,  
14 388.1651, 388.1653, 388.1654, 388.1655, 388.1656, 388.1661,  
15 388.1662, 388.1663, 388.1671, 388.1672, 388.1681, 388.1683,  
16 388.1693, 388.1696, 388.1697, 388.1698, 388.1707, 388.1708,  
17 388.1743, 388.1744, 388.1745, 388.1746, 388.1764, and 388.1766 of  
18 the Michigan Compiled Laws, are amended and sections 90, 91, 92,  
19 and 147 are added 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 as determined by the number of  
16 pupils registered for attendance plus pupils received by transfer  
17 and minus pupils lost as defined by rules promulgated by the  
18 state board. In a district operating an extended school year  
19 program approved by the state board, a pupil enrolled, but not  
20 scheduled to be in regular daily attendance on the pupil member-  
21 ship count day, shall be counted. The department shall give a  
22 uniform interpretation of full-time and part-time memberships.  
23 The state board may provide a district with an adjustment of the  
24 district's membership count upon the showing of a substantial  
25 increase in membership due to the closing of a nonpublic school  
26 after the pupil membership count day. In a district offering  
27 classes that are scheduled for a full year in which different

1 pupils participate in different sessions, full-time equated  
2 memberships shall be determined by dividing the number of class  
3 hours scheduled and provided per year per pupil by 900 for ele-  
4 mentary and secondary pupils and by 480 for adult pupils.

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

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

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

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

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

22 (i) Fourth Friday in July.

23 (ii) Fourth Friday in October.

24 (iii) Fourth Friday in January.

25 (iv) Fourth Friday in April.

26 (c) A district receiving funds from the job training  
27 partnership act, Public Law 97-300, 96 Stat. 1322, or a district

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

15 (d) For the ~~1988-89~~ 1989-90 school year only, for a dis-  
16 trict whose pupils are not in regular daily attendance on the  
17 pupil membership count day or on any of the 15 regular school  
18 days before the pupil membership count day, at the option of the  
19 district, either the second or the third Friday following the  
20 first Monday after either the start or resumption of pupil  
21 instruction.

22 (6) "Rule" means a rule promulgated pursuant to the adminis-  
23 trative procedures act of 1969, Act No. 306 of the Public Acts of  
24 1969, as amended, being sections 24.201 to 24.328 of the Michigan  
25 Compiled Laws.

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

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

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

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

13 Sec. 8. On the basis of a district's membership as defined  
14 in section 6(2) and a district's pupil dropout measurement count  
15 as determined under section 6(4), the department shall calculate  
16 an annual pupil dropout rate for each district. The department  
17 shall only include pupils in grades 7 to 12 and shall not include  
18 migrant or adult pupils in the calculation of district pupil  
19 dropout rates. In addition, the department shall calculate an  
20 annual pupil dropout rate for the state in the same manner as  
21 that used to calculate the pupil dropout rate for a district.  
22 The department shall report all pupil dropout rates to the senate  
23 and house education committees and appropriations committees not  
24 later than August 1, ~~+1989-~~ EACH YEAR.

25 Sec. 11. There is appropriated from the school aid fund  
26 established by section 11 of article IX of the state constitution  
27 of 1963, for the fiscal year ending September 30, ~~+1989-~~ 1990,

1 the sum necessary to fulfill the requirements of this act, and  
 2 any deficiency is appropriated from the general fund by the  
 3 legislature. The appropriation shall be allocated as provided in  
 4 this act. The estimated appropriations and the estimated sources  
 5 of revenue provided for in this ~~+988-~~ 1989 amendatory act are as  
 6 follows:

7 GROSS APPROPRIATION. \$	<del>-2,414,030,950-</del>	2,550,634,000
8       Appropriated from:		
9 Total federal.....	<del>-50,994,550-</del>	51,000,000
10 School aid fund.....	<del>-1,859,213,000-</del>	1,959,234,000
11 State general		
12   fund/general		
13   purpose.....	<del>-503,823,400-</del>	540,400,000

14       Sec. 19. (1) Beginning in 1990-91, a district shall admin-  
 15 ister a state board approved employability skills test in order  
 16 to receive funds under this act.

17       (2) BEGINNING IN 1991-92, A DISTRICT SHALL HAVE ADOPTED AND  
 18 FILED WITH THE DEPARTMENT A CURRENT SCHOOL IMPROVEMENT PLAN IN  
 19 ORDER TO RECEIVE FUNDS UNDER THIS ACT.

20       (3) BEGINNING IN 1992-93, A DISTRICT SHALL HAVE ADOPTED AND  
 21 FILED WITH THE DEPARTMENT A CURRENT CORE CURRICULUM IN ORDER TO  
 22 RECEIVE FUNDS UNDER THIS ACT.

23       Sec. 21. (1) Except as otherwise provided in this act, from  
 24 the amount appropriated in section 11, there is allocated to each  
 25 district an amount per membership pupil sufficient to guarantee  
 26 the district for ~~+988-89-~~ 1989-90 a combined state-local yield

1 or gross allowance of ~~-\$306.00-~~ \$256.00 plus ~~-\$77.71-~~ \$83.00 for  
 2 each mill of operating tax levied. For purposes of this section,  
 3 only taxes levied for purposes included in the operation cost of  
 4 the district as prescribed in section 7 shall be considered oper-  
 5 ating tax. The net allocation for each district shall be an  
 6 amount per membership pupil computed by subtracting, from the  
 7 gross allowance guaranteed the district, the product of the  
 8 district's state equalized valuation behind each membership pupil  
 9 and the millage utilized for computing the gross allowance.

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

13 (a) The district requires pupils to have completed as a con-  
 14 dition for graduation in ~~1988-89~~ 1989-90 all of the following:

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

18 (ii) One year of health or physical education, or both.

19 (iii) One year of fine or performing arts, FOREIGN LANGUAGE,  
 20 or of vocational education or practical arts, or any combination  
 21 thereof.

22 (iv) One semester of computer education or the equivalent,  
 23 as approved by the department.

24 If a class taught in a district reasonably falls within more  
 25 than 1 of the subject categories listed in subparagraphs (i) to  
 26 (iv), the district may determine which subject category the class



1 falls within as long as teacher certification requirements are  
2 not violated.

3 (b) The district provides for its pupils in grades 9 through  
4 12 all of the following:

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

14 (ii) Four years of English, with at least 65% of the pupils  
15 in grades 9 through 12 enrolled in an English course.

16 (iii) Three years of mathematics, with at least 45% of the  
17 pupils in grades 9 through 12 enrolled in a mathematics course.

18 (iv) Three years of science, with at least 45% of the pupils  
19 in grades 9 through 12 enrolled in a science course.

20 (v) Three years of social science, with at least 55% of the  
21 pupils in grades 9 through 12 enrolled in a social science  
22 course.

23 (vi) Two years of a foreign language, vocational education  
24 or practical arts, or any combination thereof, with at least 25%  
25 of the pupils in grades 9 through 12 enrolled in a course in 1 of  
26 these areas.

1 (vii) One year of health or physical education, or both,  
2 with at least 15% of the pupils in grades 9 through 12 enrolled  
3 in a course in 1 of these areas.

4 (viii) One year of fine or performing arts, with at least  
5 10% of the pupils in grades 9 through 12 enrolled in a course in  
6 1 of these areas.

7 (ix) One semester of computer education, with at least 5% of  
8 the pupils in grades 9 through 12 enrolled in the course.

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

13 In order to be eligible for the additional \$30.00 per pupil  
14 permitted under this subsection, unless it has received a waiver  
15 under subdivision (b), a district shall submit to the department  
16 not later than October 1, ~~1988~~ 1989, a resolution adopted by  
17 its board indicating that the district complies with all of the  
18 requirements of either subdivision (a) or (b).

19 A primary or fourth class school district that sends its  
20 resident high school pupils to 1 or more districts shall receive  
21 the additional \$30.00 per pupil permitted under this subsection  
22 if at least 90% of its resident high school pupils attend schools  
23 in districts that satisfy the requirements of either subdivision  
24 (a) or (b). In this case, the primary or fourth class district  
25 shall submit to the department not later than October 1, 1988, a  
26 resolution adopted by its board indicating that it complies with  
27 this requirement.

1 Beginning in 1988-89, a district shall qualify for a high  
2 school curriculum incentive described in subdivision (b) only if  
3 the district adopts the graduation requirements described in sub-  
4 division (a) for pupils graduating in and after the 1991-92  
5 school year.

6 In ~~1988-89~~ 1989-90, an additional \$14.00 per pupil in  
7 gross allowance shall be allocated to any district that satisfies  
8 the requirements specified in either of the following  
9 subdivisions:

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

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

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

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

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

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

- 1 (A) Special education teachers.
- 2 (B) Adult education teachers.
- 3 (C) Professional or nonprofessional support staff.
- 4 (D) Teacher aides, paraprofessionals, or volunteers.
- 5 (E) Administrators or supervisors.

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

12 In order to be eligible for the additional \$14.00 per pupil  
13 permitted under this subsection, unless it has received a waiver  
14 for subdivision (a) or (b), a district shall submit to the  
15 department not later than October 1, ~~1988~~ 1989, a resolution  
16 adopted by its board indicating that the district complies with  
17 the requirements of either subdivision (a) or (b).

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

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

15       (4) If the net allocation computed for a district pursuant  
16 to subsection (1) is a negative amount, it shall be applied as a  
17 deduction against any funds otherwise due the district under all  
18 other sections of this act. However, the deduction made under  
19 this subsection shall not exceed a percentage of a district's  
20 total state aid entitlement under all other sections of this act,  
21 which percentage is determined by dividing the gross allowance  
22 computed for the district under subsection (1) by the product of  
23 the district's state equalized valuation behind each membership  
24 pupil and the millage utilized for computing the gross allowance  
25 and then subtracting the result from 105%, except that the per-  
26 centage shall not exceed 70%, and shall be applied after the

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

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

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

16 (5) Funds due under sections 53, 75, 90, 91, 92, 143, 144,  
17 ~~and~~ 146, AND 147 shall not be counted for purposes of subsec-  
18 tion (4).

19 (6) The statewide deductions made under subsection (4) shall  
20 not exceed ~~\$20,225,000.00 in 1988-89~~ \$13,225,000.00 IN  
21 1989-90.

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

1       Sec. 22. (1) A K to 12 district formed after January 1,  
2 ~~+1988-~~ 1989, by the consolidation or annexation of 2 or more  
3 districts or the attachment of a total district to another dis-  
4 trict shall be entitled to receive in ~~+1988-89-~~ 1989-90, the same  
5 total allocation under section 21(1) that the individual dis-  
6 tricts that make up the new district would have been entitled to  
7 receive in ~~+1988-89-~~ 1989-90 as separate districts.

8       (2) From the money appropriated in section 11, there is  
9 allocated an amount not to exceed ~~-\$100,000.00-~~ \$250,000.00 for  
10 ~~+1988-89-~~ 1989-90 for districts formed by the consolidation or  
11 annexation of 2 or more districts or the attachment of a total  
12 district to another district after November 1, 1982. In order to  
13 be eligible to receive reorganization payments, districts shall  
14 have been formed by the consolidation or annexation of 2 or more  
15 districts or the attachment of a total district to another dis-  
16 trict not later than the second Monday in June immediately pre-  
17 ceding the fiscal year in which the payments are to be received.  
18 Payments to eligible reorganized districts shall be, in the first  
19 year of the reorganization, the sum of \$375.00 per pupil, for  
20 each transferred pupil in membership on the pupil membership  
21 count day or tuition pupil as provided for in section 111 in the  
22 school fiscal year immediately preceding the reorganization in  
23 the district contributing the least number of pupils to the reor-  
24 ganized district, \$250.00 per each such pupil in the second year  
25 of the reorganization, and \$125.00 per each such pupil in the  
26 third year of the reorganization. As an alternative an eligible  
27 reorganized district resulting from the merger of 3 or more total

1 districts may elect a payment which shall be \$375.00 per pupil in  
2 the first year of the reorganization for each transferred pupil  
3 in membership on the pupil membership count date or tuition pupil  
4 as provided for in section 111 in the school fiscal year immedi-  
5 ately preceding the reorganization in the districts other than  
6 the district contributing the largest number of pupils to the  
7 reorganized district, \$250.00 per each such pupil in the second  
8 year of the reorganization, and \$125.00 per each such pupil in  
9 the third year of the reorganization, except that payment shall  
10 not be made for more than 1,000 pupils to any 1 reorganized dis-  
11 trict under this alternative provision. Payments made to reorga-  
12 nized districts under this subsection shall not exceed 3 years.

13 ~~(3) From the amount appropriated in section 11, there is~~  
14 ~~allocated an amount not to exceed \$150,000.00 for 1988-89 for~~  
15 ~~districts that were eligible for funding under subsection (2) in~~  
16 ~~1987-88. Each district shall receive under this subsection an~~  
17 ~~amount equal to the difference between their entitlement in~~  
18 ~~1987-88 under subsection (2) and the amount that the district~~  
19 ~~received in that year.~~

20 Sec. 24. (1) A pupil under court jurisdiction who is placed  
21 in a private home or in a private or public institution located  
22 outside the district in which the pupil's parents or legal guard-  
23 ians reside may be counted as a resident of the district of  
24 attendance if other than the district of the pupil's parents or  
25 legal guardian. The pupil shall be counted by the district of  
26 attendance as 1-1/2 memberships. The total membership of these  
27 pupils shall be computed by adding the membership days attended



1 by the pupils before April 1 of the current school year and  
2 dividing the total by the number of days in the school year of  
3 the district before April 1 of the current school year. Except  
4 as provided in subsection (2), the membership thus obtained shall  
5 be certified by the district to the department, which shall  
6 adjust the total membership of the district accordingly in deter-  
7 mining the school aid to be paid during the current fiscal year.

8 (2) In districts not receiving aid under section 21(1), the  
9 membership for these students shall be counted in membership in  
10 the intermediate district. For each pupil, the intermediate dis-  
11 trict shall receive under section 21(1) a membership aid gross  
12 allowance computed by averaging the actual membership aid gross  
13 allowances of the intermediate district's constituent districts  
14 weighted as to membership. The resulting membership aid shall be  
15 paid by the intermediate district to the district.

16 (3) FROM THE AMOUNT APPROPRIATED IN SECTION 11, THERE IS  
17 ALLOCATED AN AMOUNT NOT TO EXCEED \$9,000,000.00 FOR PURPOSES OF  
18 THIS SECTION.

19 (4) ~~-(3)-~~ Special education pupils funded under section 53  
20 shall not be counted under this section.

21 Sec. 25. From the amount appropriated in section 11, there  
22 is allocated an amount not to exceed \$20,000,000.00 in ~~+1988-89-~~  
23 1989-90 to applicant districts with nonschool operating property  
24 taxes. An applicant district's entitlement shall be determined  
25 through a process of gross allowance increase as follows:

26 (a) An application may be filed by the district in form and  
27 content as prescribed by the department showing the total taxes

1 levied on property located within the district by the taxing  
2 agencies, including the district, but excluding taxes levied for  
3 school operating purposes.

4 (b) Using the total property taxes for the prior year as  
5 last reported by the state tax commission for the entire state,  
6 but excluding the taxes levied for school operating purposes, the  
7 department shall determine the tax rate for the entire state.  
8 The applicant district's tax rate shall be determined by dividing  
9 the figure obtained in subdivision (a) by the district's prior  
10 year state equalized valuation.

11 (c) If the resulting tax rate for the applicant district is  
12 125% or more of the resulting tax rate for the districts of the  
13 state, the gross allowance of the applicant district computed  
14 pursuant to section 21(1) shall be increased by the percentage by  
15 which the resulting tax rate in the applicant district exceeds  
16 125% of the resulting tax rates in all districts of the state.

17 (d) Each applicant district's entitlement under this subsec-  
18 tion shall be the difference between the allocation received by  
19 the district under section 21(1) and the allocation the district  
20 would have received under section 21(1) as recomputed using the  
21 gross allowance as increased in subdivision (c).

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

25 In districts not receiving aid under section 21(1), the mem-  
26 bership for foreign born pupils who live in tax-exempt housing  
27 owned by a 4-year college or university and whose native language

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

10       Sec. 31. From the amount ~~allocated~~ APPROPRIATED in sec-  
11 tion ~~23, there are funds for 1988-89~~ 11, THERE IS ALLOCATED  
12 \$28,875,000.00 FOR 1989-90, but not to exceed \$300.00 per eligi-  
13 ble pupil, to enable eligible districts to establish or to con-  
14 tinue, in conjunction with whatever federal funds may be avail-  
15 able under chapter 1 of the education consolidation and improve-  
16 ment act of 1981, Public Law 97-35, Stat. 463-482, comprehensive  
17 compensatory education programs designed to improve the achieve-  
18 ment in basic cognitive skills of pupils enrolled in grades K to  
19 10 who have extraordinary need for special assistance to improve  
20 competency in those basic skills and for whom the districts are  
21 not already receiving additional funds by virtue of the pupils  
22 being physically, mentally, or emotionally handicapped.

23       Sec. 33. The number of pupils in grades K to 10 determined  
24 to be in need of substantial improvement in the basic cognitive  
25 skills for ~~1988-89~~ 1989-90 shall be calculated for each dis-  
26 trict 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 in section 31 is distributed  
14 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 be modified. A description of the delivery system and rationale for a program under this article for a high-need building with pupils funded under section 31, whose average rate of achievement gain does not exceed the previous year's compensatory education average rate of achievement gain for a period of 3 consecutive years after 1976-77, shall be submitted by the district to the department for approval.

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

19 Sec. 36. From the amount ~~allocated~~ APPROPRIATED in section ~~23~~ 11, there ~~are funds for 1988-89~~ IS ALLOCATED AN AMOUNT NOT TO EXCEED \$26,000,000.00 FOR 1989-90 to enable eligible districts to develop or expand, in conjunction with whatever federal funds may be available under title I of the elementary and secondary education act, Public Law 89-750, 80 Stat. 1196 and the head start act, 42 U.S.C. 9831-9852, comprehensive compensatory education programs designed to improve the readiness and subsequent achievement of educationally disadvantaged children as

1 defined by the department who will be at least 4, but less than 5  
 2 years of age, as of December 1 of the year in which the programs  
 3 are offered, who have extraordinary need of special assistance,  
 4 and for whom the districts are not already receiving additional  
 5 funds by virtue of the pupils being physically, mentally, or emo-  
 6 tionally handicapped. ~~The funds allocated in this section shall~~  
 7 ~~be expended for the development or expansion after September 1,~~  
 8 ~~1988 of programs described in this section.~~

9       Sec. 38. The number of prekindergarten children construed  
 10 to be in need of special readiness assistance under section 36  
 11 shall be calculated for each district in the following manner:  
 12 one half of the percentage of the district's pupils who are eli-  
 13 gible for free lunch, as determined by the district's  
 14 department-verified ~~1987-88~~ 1988-89 spring count under the  
 15 national school lunch act, 42 U.S.C. 1751 to 1753, 1755 to 1763,  
 16 and 1765 to 1769c shall be multiplied by the average kindergarten  
 17 enrollments of the district on the pupil membership count ~~date~~  
 18 DAY of the 2 previous years.

19       Sec. 39. The tentative allocation to each eligible district  
 20 under section 36 shall be determined by multiplying the number of  
 21 children determined in section 38 by ~~\$2,000.00 in 1988-89~~  
 22 \$2,100.00 IN 1989-90 and shall be distributed among districts in  
 23 decreasing order of concentration of eligible pupils as deter-  
 24 mined by section 38 until the money appropriated in section 36 is  
 25 distributed. However, a district that receives an allocation  
 26 under section 21(1) and that has not less than 50 eligible pupils  
 27 shall receive priority over other eligible districts. ~~The~~



~~1 allocation to any district, when combined with the district's~~  
~~2 1987-88 allocation under this section, shall not exceed \$2,000.00~~  
~~3 in 1988-89 per educationally disadvantaged child actually partic-~~  
~~4 ipating in the program.~~ For any district with 315 or more eligi-  
5 ble pupils, the number of eligible pupils shall be 50% of the  
6 number calculated under section 38. However, none of these dis-  
7 tricts may have less than 315 pupils for purposes of calculating  
8 the tentative allocation under section 36. ~~Funds allocated~~  
~~9 under this section in the fiscal years ending September 30, 1988~~  
~~10 and September 30, 1989 shall not lapse, but shall continue to be~~  
~~11 available for expenditure in the succeeding fiscal year.~~

12       Sec. 40. The department shall review district requests for  
13 alternative preschool program schedules on an individual district  
14 basis and shall report not later than March 15 ~~, 1989~~ EACH YEAR  
15 their findings regarding the merit of alternative scheduling to  
16 the house and senate appropriations and education committees.

17       Sec. 41. From the amount appropriated in section 11, there  
18 is allocated an amount not to exceed \$4,212,000.00 for ~~1988-89~~  
19 1989-90 to applicant districts and intermediate districts offer-  
20 ing programs of bilingual instruction for pupils of limited  
21 English-speaking ability as required by section 1153 of the  
22 school code of 1976. Reimbursement shall be on a per pupil basis  
23 and shall be based on the number of pupils of limited  
24 English-speaking ability in membership on the pupil membership  
25 count day. Funds allocated under this section shall be used  
26 solely for the bilingual instruction in speaking, reading,  
27 writing, or comprehension of pupils of limited English-speaking

1 ability. As required by section 1155 of the school code of 1976,  
2 a child of limited English-speaking ability residing in a school  
3 district operating or participating in a bilingual instruction  
4 program pursuant to section 1153 of the school code of 1976 shall  
5 be enrolled in the bilingual instruction program for 3 years or  
6 until the child achieves a level of proficiency in English lan-  
7 guage skills sufficient to receive an equal educational opportu-  
8 nity in the regular school program, whichever occurs first.

9       Sec. 45. From the amount appropriated in section 11, there  
10 is allocated an amount not to exceed \$1,888,000.00 in ~~1988-89~~  
11 1989-90 to provide grants to or contract with certain districts  
12 and intermediate districts for the provision of a school health  
13 education curriculum. Provision of the curriculum shall be in  
14 accordance with the plan established by the Michigan model for  
15 comprehensive school health education state steering committee.  
16 The state steering committee shall be comprised of a representa-  
17 tive from each of the following offices and departments:

- 18       (a) The department of education.
- 19       (b) The office of health and medical affairs in the depart-  
20 ment of management and budget.
- 21       (c) The department of mental health.
- 22       (d) The department of public health.
- 23       (e) The offices of substance abuse services in the depart-  
24 ment of public health.
- 25       (f) The department of social services.
- 26       (g) The department of state police.

1       Sec. 46. From the amount ~~allocated~~ APPROPRIATED in  
2 section ~~23~~ 11, there ~~are funds for 1988-89~~ IS ALLOCATED AN  
3 AMOUNT NOT TO EXCEED \$2,500,000.00 FOR 1989-90 to provide grants  
4 to districts to continue school dropout pilot program services to  
5 pupils who participated in such programs approved by the depart-  
6 ment for 1988-89. ~~1987-88. The department shall approve not~~  
7 ~~less than 30 additional pilot programs for funding under this~~  
8 ~~section in 1988-89.~~

9       Sec. 47. (1) From the amount appropriated in section 11,  
10 there is allocated an amount not to exceed \$1,175,000.00 for  
11 ~~1988-89~~ 1989-90 to applicant intermediate districts that pro-  
12 vide support services for the education of gifted and talented  
13 pupils. An intermediate district is entitled to 75% of the  
14 actual salary, but not to exceed \$17,000.00 reimbursement for an  
15 individual salary, of a support services teacher approved by the  
16 department, and not to exceed \$4,000.00 reimbursement for expen-  
17 ditures to support program costs, excluding in-county travel and  
18 salary, as approved by the department.

19       (2) From the amount appropriated in section 11, there is  
20 allocated an amount not to exceed \$350,000.00 for ~~1988-89~~  
21 1989-90 to support part of the cost of summer institutes for  
22 gifted and talented students. This amount shall be contracted to  
23 applicant intermediate districts in cooperation with a local  
24 institution of higher education and shall be coordinated by the  
25 department.

26       (3) From the amount appropriated in section 11, there is  
27 allocated an amount not to exceed \$6,781,000.00 for ~~1988-89~~

1 1989-90 for the development and operation of comprehensive  
2 programs for gifted and talented pupils. A district or consor-  
3 tium of districts may be eligible to receive an amount not to  
4 exceed \$91.00 per K-12 pupil for up to 5% of the district's or  
5 consortium's K-12 membership with a minimum grant of \$5,000.00.  
6 Funding shall be provided in the following order: the per pupil  
7 allotment, the minimum grant of \$5,000.00 to consortiums, and  
8 then the minimum grant of \$5,000.00 to individual districts. An  
9 intermediate district may act as the fiscal agent for a consor-  
10 tium of districts. In order to be eligible for funding under  
11 this subsection, the district or consortium of districts shall  
12 submit each year a current 3-year plan for operating a comprehen-  
13 sive program for gifted and talented pupils. The plan or revised  
14 plan shall be developed in accordance with criteria established  
15 by the department and shall be submitted to the department for  
16 approval. Within the criteria, the department shall encourage  
17 the development of consortia among districts of less than 5,000  
18 memberships. To ensure maximum efficiency and to prevent dupli-  
19 cation, the department shall not approve a plan that would com-  
20 pete with or tend to lessen participation in an existing  
21 program.

22       Sec. 48. (1) From the amount appropriated in section 11,  
23 there is allocated an amount not to exceed \$3,150,000.00 for  
24 ~~1988-89~~ 1989-90 to applicant districts or intermediate dis-  
25 tricts for nonresidential alternative juvenile rehabilitation  
26 programs, which are programs for children and youth who have been  
27 found to need remedial academic or social rehabilitative

1 services, or both. To be eligible for funding of salaries from  
 2 legislative appropriations, the county board of commissioners of  
 3 the county in which the program is conducted or the supervising  
 4 district or intermediate district, by resolution, shall agree to  
 5 fund the balance of the cost of the program. The district or  
 6 intermediate district in which the program is conducted, in coop-  
 7 eration with the juvenile division of the probate court for the  
 8 county, shall supervise the program. The district or intermedi-  
 9 ate district may apply for state money for reimbursement of  
 10 \$7,500.00 for the salary of each professional program person  
 11 required by this section.

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

15 Sec. 51. (1) There is allocated ~~\$172,349,550.00~~  
 16 \$172,355,000.00 for ~~1988-89~~ 1989-90 to consist of an amount not  
 17 to exceed \$121,355,000.00 from the amount appropriated in section  
 18 11 and ~~\$50,994,550.00~~ \$51,000,000.00 in federal funding under  
 19 sections 611 to 620 of the education of the handicapped act, 20  
 20 U.S.C. 1411 to 1420 plus any carryover federal funds from prior  
 21 year appropriations, for the purpose of reimbursing districts and  
 22 intermediate districts for special education programs, services,  
 23 and special education personnel as prescribed in article 3 of the  
 24 school code of 1976; net tuition payments made by intermediate  
 25 districts to the Michigan school for the blind and the Michigan  
 26 school for the deaf; and programs for pupils handicapped by  
 27 learning disabilities as defined by the department. For meeting

1 the costs of special education programs and services not  
2 reimbursed under this article, a district or intermediate dis-  
3 trict may use money in general funds or special education funds,  
4 not otherwise restricted, or contributions from districts to  
5 intermediate districts, tuition payments, gifts and contributions  
6 from individuals, or federal funds that may be available for this  
7 purpose, as determined by the intermediate district plan prepared  
8 pursuant to article 3 of the school code of 1976.

9       (2) State funds shall be allocated on an added cost basis.  
10 Federal funds shall be allocated under applicable federal  
11 requirements, except that an amount not to exceed \$4,000,000.00  
12 may be allocated by the department to districts or intermediate  
13 districts on a grant basis for programs, equipment, and services  
14 designed to benefit or improve special education on a statewide  
15 scale.

16       (3) From the amount allocated in section 51(1), there is  
17 allocated an amount not to exceed \$3,100,000.00 for ~~+1988-89-~~  
18 1989-90 to reimburse 100% of the net increase in necessary costs  
19 incurred by a district or intermediate district in implementing  
20 the revisions in the administrative rules for special education  
21 that became effective on July 1, 1987. As used in this subsec-  
22 tion, "net increase in necessary costs" means the necessary addi-  
23 tional costs incurred solely because of new or revised require-  
24 ments in the administrative rules minus cost savings permitted in  
25 implementing the revised rules. Net increase in necessary costs  
26 shall be determined in a manner specified by the department.

(4) For purposes of this article:

(a) "Added costs" shall be computed by deducting, from the total approved costs of special education programs and services, a gross allowance for each full-time equated special education pupil counted in membership in the district or intermediate district whose primary educational or training program, as determined by the department, is a special education program and service as defined in section 6(7) of the school code of 1976.

(b) "Total approved costs of special education programs and services" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53 programs. They shall not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6(6) of the school code of 1976. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, shall not be included. Special education approved personnel not utilized full time in the evaluation of students or in the delivery of special education programs, ancillary, and other related services shall be reimbursed under this section only for that portion of time actually spent providing these programs and services, with the exception of special education programs and services provided to youth placed in juvenile detention facilities as defined in R 340.1757 of the Michigan administrative code. Only salaries and other compensation paid teacher aides required in rules

1 promulgated by the department or as otherwise approved by the  
2 department shall be included.

3 (c) Reimbursement for ancillary and other related services,  
4 as defined by R 340.1701 of the Michigan administrative code,  
5 shall not be provided when those services are covered and avail-  
6 able by private group health insurance carriers or federally  
7 reimbursed program sources. Expenses, other than the incidental  
8 expense of filing, shall not be borne by the parent. In addi-  
9 tion, the filing of claims shall not delay the education of a  
10 pupil. A school district shall be responsible for payment of a  
11 deductible amount and for an advance payment required until the  
12 time a claim is paid.

13 (d) A "membership aid gross allowance" shall be computed  
14 pursuant to section 21(1), EXCEPT THAT STATE AID PAYMENTS UNDER  
15 THIS SUBSECTION SHALL NOT EXCEED \$39,754,000.00 FOR 1989-90.

16 A pupil who is enrolled in a full-time special education  
17 program conducted or administered by an intermediate district or  
18 a pupil who is enrolled in the Michigan school for the blind or  
19 the Michigan school for the deaf shall not be included in the  
20 membership count of a district, but shall be counted in member-  
21 ship in the intermediate district of residence. A district oper-  
22 ating a center program for pupils from several districts, pursu-  
23 ant to an approved intermediate district plan, may elect to have  
24 the pupils counted in membership in the intermediate district.  
25 For each pupil, the intermediate district shall receive under  
26 section 21(1) a membership aid gross allowance computed by  
27 averaging the actual membership aid gross allowances of the



1 intermediate district's constituent districts weighted as to  
2 membership. However, membership aid shall not be paid to inter-  
3 mediate districts for pupils who are residents of districts not  
4 receiving a membership allocation under section 21(1) and who are  
5 enrolled in programs funded under section 52, unless they are  
6 enrolled in a center program or are eligible as court placed  
7 pupils under section 24(2).

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

11 (i) If the district receives an allocation under section  
12 21(1) and the pupil is educated in a district not receiving an  
13 allocation under section 21(1), by subtracting categorical aid  
14 and the intermediate district reimbursement for each pupil from  
15 the total cost of the education program.

16 (ii) If the district receives an allocation under section  
17 21(1) and the pupil is educated in a district receiving an allo-  
18 cation under section 21(1), by subtracting the gross state aid  
19 membership allowance, categorical aid, and the intermediate dis-  
20 trict reimbursement for each pupil from the total cost of the  
21 education program.

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

26 (5) Special education personnel transferred from 1 district  
27 to another to implement the school code of 1976 shall be entitled

1 to the rights, benefits, and tenure to which the person would  
2 otherwise be entitled had that person been employed by the  
3 receiving district originally.

4 (6) If a district or intermediate district uses money  
5 received under this section for a purpose other than the purpose  
6 or purposes for which the money is allocated, the department may  
7 require the district or intermediate district to refund the  
8 amount of money received. Money which is refunded shall be  
9 deposited in the state treasury to the credit of the school aid  
10 fund.

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

16 (a) Pupils assigned to a district or intermediate district  
17 through the community placement program of the courts or a state  
18 agency, if the pupil was a resident of another intermediate dis-  
19 trict at the time the pupil came under the jurisdiction of the  
20 court or a state agency.

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

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

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

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

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

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

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

15 (3) Not more than \$38,900,000.00 for ~~1988-89~~ 1989-90 of  
16 the allocation in section 51(1) shall be allocated under this  
17 section.

18 Sec. 54. In addition to the aid received under section 52,  
19 each intermediate district shall receive an amount per pupil for  
20 each pupil in attendance at the Michigan school for the blind or  
21 the Michigan school for the deaf. This amount shall be propor-  
22 tionate to the total instructional cost at each school. Not more  
23 than \$1,688,000.00 for ~~1988-89~~ 1989-90 of the allocation in  
24 section 51(1) shall be allocated under this section.

25 Sec. 55. From the amount allocated in section 51(2), there  
26 is allocated an amount not to exceed \$400,000.00 for ~~1988-89~~  
27 1989-90 to applicant districts and intermediate districts to be

1 used in a program developed by the department for pupils who have  
2 a communication impairment. Preference shall be given to grant  
3 applications that request the purchase of equipment that is  
4 designed and manufactured within this state. Upon approval by  
5 the department, an applicant district or intermediate district  
6 may participate in the program and receive a grant for the pur-  
7 chase or other service utilization of equipment or for the test-  
8 ing of individuals and the determination of a need for equipment  
9 designed for the use of individuals with a communication impair-  
10 ment, or their instructors, to provide artificial communication  
11 ability or to enhance natural communication abilities. Equipment  
12 purchased with funds allocated under this section shall be avail-  
13 able to pupils 12 months of the year.

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

15       (a) "Membership" means the total membership of the interme-  
16 diate school and the districts constituent to the intermediate  
17 district.

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

21       (c) "State equalized valuation" means the total state equal-  
22 ized valuation of the districts constituent to an intermediate  
23 district, except that if a district has elected not to come under  
24 part 30 of the school code of 1976, membership and state equal-  
25 ized valuation of the district shall not be included in the mem-  
26 bership and state equalized valuation of the intermediate  
27 district.

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

14 (3) Reimbursement for those millages levied in ~~+1987-88-~~  
 15 1988-89 shall be made in ~~+1988-89-~~ 1989-90 at an amount per  
 16 ~~+1987-88-~~ 1988-89 membership pupil computed by subtracting from  
 17 ~~-\$65,500.00-~~ \$68,000.00 the ~~+1987-88-~~ 1988-89 state equalized  
 18 valuation behind each membership pupil, and multiplying the  
 19 resulting difference by the ~~+1987-88-~~ 1988-89 millage levied.

20 Sec. 61. (1) From the amount appropriated in section 11,  
 21 there is allocated an amount not to exceed \$28,560,000.00 for  
 22 ~~+1988-89-~~ 1989-90 to reimburse districts and secondary area  
 23 vocational-technical centers for secondary-level  
 24 vocational-technical education programs, including parenthood  
 25 education programs, on an added cost basis. The definition of  
 26 what constitutes those programs and reimbursement shall be  
 27 pursuant to rules promulgated by the state board. Applications

1 for participation in the programs shall be filed in the form  
2 prescribed by the department. The department shall determine the  
3 added cost for each vocational-technical program area. The allo-  
4 cation of added cost funds shall be based on the type of  
5 vocational-technical programs provided, the number of pupils  
6 enrolled, and the length of the training period provided, and  
7 shall not exceed 75% of the added cost of any program. The board  
8 of a district maintaining a secondary vocational-technical educa-  
9 tion program, with the approval of the department, may offer the  
10 program for the period from the close of the school year until  
11 September 1. The program shall use existing facilities and shall  
12 be operated as prescribed by rules promulgated by the state  
13 board.

14 (2) Districts and intermediate districts shall be reimbursed  
15 for local vocational administration, shared time vocational  
16 administration, and career education planning district  
17 vocational-technical administration. The definition of what con-  
18 stitutes administration and reimbursement shall be pursuant to  
19 guidelines adopted by the state board. Not more than \$800,000.00  
20 of the allocation in subsection (1) shall be distributed under  
21 this subsection.

22 (3) Districts that were designated as area  
23 vocational-technical centers by the state board before January 1,  
24 1971, may count in membership, with permission of the district of  
25 residence, pupils enrolled in vocational-technical education pro-  
26 grams in any of the districts in the designated service area if  
27 all of the following conditions are met:

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

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

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

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

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

14 (a) "Membership" means the total membership of the interme-  
15 diate district and the districts constituent to the intermediate  
16 district or the total membership of the area vocational-technical  
17 education program.

18 (b) "Millage levied" means the millage levied for area  
19 vocational-technical education pursuant to sections 681 to 690 of  
20 the school code of 1976, including a levy for debt service obli-  
21 gations incurred as the result of borrowing for capital outlay  
22 projects and in meeting building and site fund requirements of  
23 area vocational-technical education.

24 (c) "State equalized valuation" means the total state equal-  
25 ized valuation of the districts constituent to an intermediate  
26 district or area vocational-technical education program, except  
27 that if a district has elected not to come under sections 681 to

1 690 of the school code of 1976, the membership and state  
2 equalized valuation of the district shall not be included in the  
3 membership and state equalized valuation of the intermediate  
4 district.

5 (2) From the amount appropriated in section 11, there is  
6 allocated the amount necessary to reimburse intermediate dis-  
7 tricts and area vocational-technical education programs estab-  
8 lished under section 690(3) of the school code of 1976, levying  
9 millages for area vocational-technical education pursuant to sec-  
10 tions 681 to 690 of the school code of 1976. The purpose, use,  
11 and expenditure of the reimbursement shall be limited as if the  
12 funds were generated by those millages.

13 (3) Reimbursement for the millages levied in ~~+1987-88-~~  
14 ~~1988-89~~ shall be made in ~~+1988-89-~~ 1989-90 at an amount per  
15 ~~+1987-88-~~ 1988-89 membership pupil computed by subtracting from  
16 ~~-\$65,500.00-~~ \$68,000.00 the ~~+1987-88-~~ 1988-89 state equalized  
17 valuation behind each membership pupil, and multiplying the  
18 resulting difference by the ~~+1987-88-~~ 1988-89 millage levied.

19 Sec. 63. From the amount appropriated in section 11, there  
20 is allocated an amount not to exceed \$1,456,000.00 for ~~+1988-89-~~  
21 1989-90 to reimburse districts, intermediate districts, and sec-  
22 ondary area vocational-technical centers for programs that pre-  
23 pare and train youth and adults in occupations that are impacted  
24 by new and emerging technology. These funds shall be used to pay  
25 for instructional equipment. Applications for participation in  
26 the programs shall be filed in the form prescribed by the  
27 department. Upon approval by the department, an applicant



1 district or intermediate district shall receive a grant for  
2 instructional equipment on a cost-sharing basis.

3       Sec. 71. (1) From the amount appropriated in section 11,  
4 there is allocated an amount not to exceed ~~\$102,000,000.00~~  
5 \$87,500,000.00 for ~~+1988-89-~~ 1989-90 to fund districts and inter-  
6 mediate districts transporting pupils by school bus, passenger  
7 van, station wagon, or adequate vehicle of ample capacity from  
8 the vicinity of their homes to the schools the pupils attend, or  
9 from their homes or schools to area vocational centers or other  
10 facilities providing approved occupational or cooperative aca-  
11 demic programs and back again in amounts determined by the  
12 department. Funding for contracted transportation services or  
13 transportation services provided through the use of public tran-  
14 sit systems shall be the same as for district-owned bus fleets.

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

23       (3) Upon investigation, the department shall review, con-  
24 firm, set aside, or amend the action, order, or decision of the  
25 board of a district with reference to the routes over which the  
26 pupils shall be transported, the distance the pupils shall be

1 required to walk, and the suitability and number of vehicles and  
2 equipment for the transportation of the pupils.

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

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

13 Sec. 72. (1) Transportation aid for the ~~1988-89~~ 1989-90  
14 school year shall be based upon an allowance for each pupil  
15 transported and calculated for each district, EXCEPT FOR AN INEL-  
16 IGIBLE DISTRICT AS DEFINED IN SUBSECTION (3), and intermediate  
17 district by the department on the basis of the following  
18 factors:

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

21 (i) Transportation staff per 100 pupils transported.

22 (ii) Bus fleet capacity per pupil transported.

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

25 (i) Transportation staff salary.

26 (ii) Regional cost variation.

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

3 (d) An insurance cost per pupil of 100% of cost for pupil  
4 transportation vehicles.

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

9 The allocation shall be based upon current year data  
10 reported by the districts and intermediate districts. Special  
11 education transportation aid shall be calculated separately and  
12 shall use the vehicle as the funding unit. The total transporta-  
13 tion allowance for a district shall be calculated by multiplying  
14 the sum of (a), (b), (c), (d), and (e) by the number of pupils  
15 actually transported. The rate of aid for contracted transporta-  
16 tion services or transportation services provided through the use  
17 of public transit systems shall be comparable for district-owned  
18 bus fleets.

19 (2) Districts and intermediate districts may apply to the  
20 department for exceptions to the district's formula transporta-  
21 tion allowance regarding the costs of transporting pupils when  
22 exceptional conditions or circumstances impose unavoidably  
23 unusual expenses for transporting district students to their reg-  
24 ularly scheduled classes. The department shall report not later  
25 than March 15 of each year to the house and senate appropriations  
26 and education committees all exceptions granted under this  
27 subsection for the current year.

1     ~~(3) Each district and intermediate district shall receive~~  
2 ~~transportation aid in 1988-89 as determined by the formula in~~  
3 ~~subsection (1). If this amount on a per pupil basis is less than~~  
4 ~~the district received during 1985-86 on a per pupil basis, the~~  
5 ~~district's transportation aid per pupil shall be equal to the~~  
6 ~~amount as determined under subsection (1), plus 50% of the dif-~~  
7 ~~ference per pupil between that amount and the amount received in~~  
8 ~~1985-86, multiplied by the number of days transportation was pro-~~  
9 ~~vided, and divided by the number of days of pupil instruction in~~  
10 ~~the current year. In 1988-89 the percentage shall be 25%, and in~~  
11 ~~1989-90 and in each year thereafter, each district shall receive~~  
12 ~~a total transportation aid as determined by the formula in sub-~~  
13 ~~section (1).~~

14     ~~(4) The proration of the guaranteed payment provided in~~  
15 ~~subsection (3) in 1988-89 and subsequent years shall be applied~~  
16 ~~retroactively for 1987-88, and appropriate adjustments shall be~~  
17 ~~made.~~

18     ~~(5) The formula provided in subsection (1) shall be~~  
19 ~~re-evaluated on an annual basis.~~

20     (3) A DISTRICT IS INELIGIBLE TO RECEIVE FUNDING UNDER THIS  
21 SECTION IF IT MEETS THE FOLLOWING CRITERIA: (A) THE DISTRICT  
22 DOES NOT RECEIVE AN ALLOCATION UNDER SECTION 21(1) IN 1989-90 AND  
23 (B) THE 1989-90 PRODUCT OF THE DISTRICT'S STATE EQUALIZED VALUA-  
24 TION BEHIND EACH MEMBERSHIP PUPIL AND THE MILLAGE LEVIED FOR  
25 OPERATING PURPOSES IS NOT LESS THAN 125% OF THE DISTRICT'S  
26 1989-90 GROSS ALLOWANCE AS DETERMINED UNDER SECTION 21(1).

1       Sec. 81. (1) From the amount appropriated in section 11,  
2 there is allocated to the intermediate districts the sum  
3 necessary, but not to exceed \$21,418,000.00 for ~~+1988-89-~~  
4 1989-90, to provide state aid to intermediate districts. There  
5 shall be allocated to each intermediate district an amount  
6 obtained by adding 102.5% of the prior year's aid received under  
7 this section and 102.5% of the product of the prior year's state  
8 equalized valuation and the prior year's operating millage, and  
9 subtracting from that sum the product of the current year's state  
10 equalized valuation and the prior year's operating millage.  
11 However, an intermediate district shall not receive less than an  
12 amount per pupil equal to 100% of the ~~+1987-88-~~ 1988-89 aid per  
13 pupil received under this section.

14       (2) From the amount appropriated in section 11, there is  
15 allocated to an intermediate district, formed by the consolida-  
16 tion or annexation of 2 or more intermediate districts or the  
17 attachment of a total intermediate district to another intermedi-  
18 ate school district or the annexation of all of the constituent  
19 K-12 districts of a previously existing intermediate school dis-  
20 trict which has disorganized, an additional allotment of  
21 \$3,500.00 for each intermediate district included in the new  
22 intermediate district for 3 years following consolidation, annex-  
23 ation, or attachment.

24       (3) From the amount appropriated in section 11, there is  
25 allocated an amount not to exceed \$100,000.00 for ~~+1988-89-~~  
26 1989-90 to applicant intermediate districts that provide support  
27 services for instruction in fine or performing arts. Not more

1 than 1 program may be established within an educational media  
2 center described in section 671 of the school code of 1976, with  
3 1 of the constituent intermediate districts serving as the fiscal  
4 agent and being entitled to 30 cents per pupil of the educational  
5 media center service area, or \$10,000.00 in total, whichever is  
6 greater, for reimbursement of salaries of support services teach-  
7 ers approved by the department or of expenditures to support pro-  
8 gram costs, excluding in-county travel and salary, as approved by  
9 the department.

10       Sec. 83. From the amount appropriated in section 11, there  
11 is allocated to intermediate districts an amount not to exceed  
12 \$3,000,000.00 for ~~+1988-89-~~ 1989-90, to operate educational media  
13 centers under section 671 of the school code of 1976 and the  
14 rules promulgated by the state board.

15       SEC. 90. (1) FROM THE AMOUNT APPROPRIATED IN SECTION 11,  
16 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$15,000,000.00 FOR  
17 1989-90 TO PROVIDE AN AMOUNT PER PUPIL TO APPLICANT DISTRICTS FOR  
18 DISCRETIONARY SCHOOL IMPROVEMENT PURPOSES AS INCENTIVE REWARDS  
19 FOR IMPROVEMENT IN THE ACADEMIC PERFORMANCE AND ATTENDANCE RATES  
20 OF THE DISTRICT'S K TO 12 PUPILS.

21       (2) THE AMOUNT PER PUPIL ALLOCATED TO A DISTRICT UNDER  
22 SUBSECTION (1) SHALL BE COMPUTED BY ASSIGNING A WEIGHT OF 1.0  
23 UNIT VALUE FOR EACH K TO 12 PUPIL AND AN ADDITIONAL WEIGHT OF 0.5  
24 UNIT VALUE FOR EACH K TO 12 PUPIL WHO IS ELIGIBLE FOR FREE LUNCH,  
25 AS DETERMINED BY THE DISTRICT'S DEPARTMENT-VERIFIED 1988-89  
26 SPRING COUNT UNDER THE NATIONAL SCHOOL LUNCH ACT, 42 U.S.C. 1751  
27 TO 1753, 1755 TO 1763, AND 1765 TO 1769c. THE MONETARY VALUE OF

1 A UNIT FOR 1989-90 SHALL BE DETERMINED SO THAT THE ENTIRE AMOUNT  
2 IN SUBSECTION (1) IS ALLOCATED.

3 (3) AN APPLICANT DISTRICT SHALL SUBMIT TO THE DEPARTMENT NOT  
4 LATER THAN NOVEMBER 1, 1989 A PLAN FOR MEASURING THE IMPROVED  
5 ACADEMIC PERFORMANCE AND IMPROVED ATTENDANCE RATES OF ITS PUPILS  
6 IN GRADES K TO 12. A PLAN SHALL MEET ALL OF THE FOLLOWING  
7 CRITERIA:

8 (A) THE PLAN SPECIFIES THE USE OF AT LEAST 1 STANDARDIZED  
9 TEST APPROVED BY THE DEPARTMENT.

10 (B) THE PLAN PROVIDES FOR A SCORING SYSTEM WHICH ASSIGNS TO  
11 DEFINED CATEGORIES THE FOLLOWING WEIGHTS:

12 (i) STATISTICALLY SIGNIFICANT IMPROVEMENT IN ACADEMIC PER-  
13 FORMANCE, 40%.

14 (ii) IMPROVEMENT IN ATTENDANCE RATES OF EDUCATIONALLY DISAD-  
15 VANTAGED PUPILS, 40%.

16 (iii) OTHER FACTORS DETERMINED BY THE DISTRICT, 20%.

17 (C) THE PLAN IS APPROVED AND SIGNED BY THE PRESIDENT OF THE  
18 SCHOOL BOARD, THE DISTRICT SUPERINTENDENT, AND THE PRESIDENT OF  
19 THE TEACHERS' LABOR ORGANIZATION, IF ANY.

20 (D) THE PLAN IDENTIFIES BY NAME THE CLASSROOM SCHOOL BUILD-  
21 INGS IN THE DISTRICT.

22 (4) A CLASSROOM SCHOOL BUILDING WITHIN THE DISTRICT MUST  
23 ACHIEVE NOT LESS THAN 80% OF THE TOTAL POTENTIAL SCORE OF ITS  
24 DISTRICT PLAN IN ORDER TO RECEIVE FUNDS FROM THE DISTRICT'S  
25 ALLOCATION. NOT LESS THAN 1 CLASSROOM SCHOOL BUILDING NOR MORE  
26 THAN 25% OF A DISTRICT'S CLASSROOM SCHOOL BUILDINGS SHALL RECEIVE  
27 FUNDS FROM THE DISTRICT'S ALLOCATION. A CLASSROOM SCHOOL

1 BUILDING RECEIVING FUNDS UNDER THIS SECTION SHALL RECEIVE NOT  
2 LESS THAN \$5,000.00 NOR MORE THAN \$50,000.00.

3 (5) UPON RECEIPT OF NOTIFICATION FROM THE PERSONS IDENTIFIED  
4 IN SUBSECTION (3)(C) THAT THE DISTRICT HAS QUALIFIED AT LEAST 1  
5 OF THE CLASSROOM SCHOOL BUILDINGS PURSUANT TO SUBSECTION (4), THE  
6 DEPARTMENT SHALL AUTHORIZE PAYMENT OF THE FUNDS IN THE DISTRICT'S  
7 NEXT SCHOOL AID PAYMENT.

8 SEC. 91. (1) FROM THE AMOUNT APPROPRIATED IN SECTION 11,  
9 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR  
10 1989-90 TO PROVIDE FUNDS TO DISTRICTS FOR INNOVATIVE AND DIVERSI-  
11 FIED EDUCATIONAL PROGRAMS. FUNDS RECEIVED BY A DISTRICT SHALL BE  
12 USED FOR PURPOSES OF SCHOOL REDESIGN AS IDENTIFIED IN THE  
13 DISTRICT'S PLAN AS APPROVED BY THE DEPARTMENT PURSUANT TO  
14 SUBSECTION (2).

15 (2) AN APPLICANT DISTRICT SHALL SUBMIT A PLAN FOR 1 OR MORE  
16 OF THE PROGRAMS DESCRIBED IN SUBSECTIONS (3), (4), (5), AND (6).

17 (3) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1),  
18 \$2,000,000.00 IS PROVIDED FOR A DISTRICT-LEVEL PROGRAM TO PLAN  
19 AND IMPLEMENT A SCHOOLS OF CHOICE PROGRAM, AS DESCRIBED IN  
20 SECTION \_\_\_\_ OF THE SCHOOL CODE OF 1976. A DISTRICT RECEIVING  
21 FUNDS UNDER THIS SUBSECTION SHALL RECEIVE FUNDS FOR PLANNING PUR-  
22 POSES OF NOT LESS THAN 5% NOR MORE THAN 15% OF ITS TOTAL  
23 ALLOCATION. THE DISTRICT SHALL RECEIVE THE RESIDUAL AMOUNT OF  
24 ITS ALLOCATION FOR IMPLEMENTATION PURPOSES, CONTINGENT UPON  
25 DEPARTMENT APPROVAL OF A PLANNING DOCUMENT DETAILING THE PROPOSED  
26 IMPLEMENTATION. A DISTRICT SHALL NOT RECEIVE MORE THAN  
27 \$750,000.00 UNDER THIS SUBSECTION.



1 (4) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1),  
2 \$1,000,000.00 IS PROVIDED FOR A SCHOOL-LEVEL PROGRAM TO IMPROVE  
3 SCHOOL PERFORMANCE BY RESTRUCTURING THE EDUCATIONAL DELIVERY  
4 SYSTEM, AS DESCRIBED IN SECTION \_\_\_\_ OF THE SCHOOL CODE OF 1976.  
5 A DISTRICT RECEIVING FUNDS UNDER THIS SUBSECTION SHALL NOT  
6 RECEIVE MORE THAN \$50,000.00 PER CLASSROOM SCHOOL BUILDING.

7 (5) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1),  
8 \$1,000,000.00 IS PROVIDED FOR A DISTRICT WHICH RECEIVES FUNDS FOR  
9 1 OR BOTH OF THE PROGRAMS IN SUBSECTIONS (3) AND (4), FOR A PRO-  
10 GRAM TO TRAIN CLASSROOM TEACHERS OR PROFESSIONAL ADMINISTRATORS,  
11 OR BOTH IN ORDER TO IMPLEMENT THESE PROGRAMS, AS DESCRIBED IN  
12 SECTION \_\_\_\_ OF THE SCHOOL CODE OF 1976. A DISTRICT RECEIVING  
13 FUNDS UNDER THIS SUBSECTION SHALL NOT RECEIVE MORE THAN  
14 \$40,000.00.

15 (6) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1),  
16 \$1,000,000.00 IS PROVIDED FOR A MENTOR PROGRAM TO ALLOW TEACHERS  
17 AND ADMINISTRATORS TO SHARE THEIR PROFESSIONAL EXPERTISE WITH  
18 COLLEAGUES, AS DESCRIBED IN SECTION \_\_\_\_ OF THE SCHOOL CODE OF  
19 1976. A DISTRICT RECEIVING FUNDS UNDER THIS SUBSECTION SHALL NOT  
20 RECEIVE MORE THAN \$40,000.00.

21 (7) THE DEPARTMENT, PURSUANT TO SECTION \_\_\_\_ OF THE SCHOOL  
22 CODE OF 1976, SHALL SPECIFY THE CRITERIA BY WHICH A DISTRICT CAN  
23 BECOME ELIGIBLE FOR FUNDING UNDER SUBSECTIONS (3), (4), (5), AND  
24 (6).

25 SEC. 92. (1) FROM THE AMOUNT APPROPRIATED IN SECTION 11,  
26 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$2,250,000.00 FOR  
27 1989-90 TO APPLICANT DISTRICTS AND INTERMEDIATE DISTRICTS TO

1 PROVIDE SUPPORT SERVICES FOR DEVELOPING AND ADOPTING LONG-RANGE  
2 SCHOOL IMPROVEMENT PLANS AND TO ADOPT A CORE CURRICULUM AS A  
3 MEANS OF RAISING ACADEMIC STANDARDS AND IMPROVING SCHOOL  
4 ACCOUNTABILITY. EACH DISTRICT AND INTERMEDIATE DISTRICT IS ELI-  
5 GIBLE TO RECEIVE A MINIMUM OF \$640.00 PER SCHOOL BUILDING. IF  
6 FUNDS REMAIN AFTER ALLOCATION TO ALL APPLICANT DISTRICTS AND  
7 INTERMEDIATE DISTRICTS, THESE FUNDS SHALL BE DISTRIBUTED PROPOR-  
8 TIONATELY AMONG BUILDINGS THAT HAVE MORE THAN 30 CLASSROOM  
9 TEACHERS. AN INTERMEDIATE DISTRICT MAY ACT AS THE FISCAL AGENT  
10 FOR A CONSORTIUM OF DISTRICTS OR INTERMEDIATE DISTRICTS, OR  
11 BOTH.

12 (2) THE DEPARTMENT, PURSUANT TO SECTION \_\_\_\_ OF THE SCHOOL  
13 CODE OF 1976, SHALL SPECIFY THE CRITERIA BY WHICH A DISTRICT OR  
14 INTERMEDIATE DISTRICT CAN BECOME ELIGIBLE FOR FUNDING UNDER  
15 SUBSECTION (1).

16 (3) FROM THE AMOUNT APPROPRIATED IN SECTION 11, THERE IS  
17 ALLOCATED AN AMOUNT NOT TO EXCEED \$150,000.00 FOR 1989-90 TO AN  
18 INTERMEDIATE DISTRICT TO PROVIDE REGIONAL SUPPORT SERVICES AND  
19 TECHNICAL ASSISTANCE FOR SCHOOL IMPROVEMENT PLANNING FOR  
20 DISTRICTS. AN INTERMEDIATE DISTRICT MUST SUBMIT AN APPLICATION  
21 IN ACCORDANCE WITH CRITERIA ESTABLISHED BY THE STATE BOARD.

22 Sec. 93. (1) From the amount appropriated in section 11,  
23 there is allocated an amount not to exceed \$945,000.00 for  
24 ~~1988-89~~ 1989-90 to be used for the salaries of teachers in  
25 alternative education programs for school age expectant parents  
26 and school age parents and their children, as approved by the  
27 department under section 1301 of the school code of 1976.

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

5 (2) From the amount appropriated in section 11, there is  
6 allocated an amount not to exceed \$315,000.00 for ~~1988-89~~  
7 1989-90 to support the operation of model school age parents'  
8 projects approved by the department.

9 Sec. 96. From the amount appropriated in section 11, there  
10 is allocated an amount not to exceed \$3,120,000.00 for ~~1988-89~~  
11 1989-90 to be used by districts conducting community school pro-  
12 grams approved by the department.

13 Sec. 97. (1) From the amount appropriated in section 11,  
14 there is allocated an amount not to exceed \$3,016,000.00 for  
15 ~~1988-89~~ 1989-90 to applicant districts and intermediate dis-  
16 tricts for local professional and nonprofessional staff  
17 development. Each district and intermediate district shall be  
18 eligible to receive \$25.00 per professional staff member. Each  
19 district or intermediate district with a professional staff equal  
20 to or greater than 500, or a consortium of districts, intermedi-  
21 ate districts, or a combination of districts and intermediate  
22 districts with professional staff equal to or greater than 500,  
23 or a combination of districts and intermediate districts within  
24 the same county with professional staff equal to or greater than  
25 250, or an intermediate district consortium that includes all of  
26 its constituent districts regardless of the number of staff  
27 members shall be eligible for an additional \$10.00 per

1 professional staff member upon completion of an application, as  
2 approved by the department, to be submitted by November 1, ~~1988~~  
3 1989.

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

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

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

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

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

15 (e) Designation of a program coordinator.

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

24 (g) Designation of a legal fiscal agent.

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

(3) Participation by staff may be voluntary.

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

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

(b) Management training for administrators.

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

(d) Working with pupils with special needs including work in bilingual programs, mainstreaming programs, and gifted and talented pupils' programs.

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

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

(g) Utilizing computers in the educational process.

(h) Career education in-service programs.

(i) The use of fine arts and multi-modal approach to teaching 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 ~~1988-89~~ 1989-90 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, writing and composition,  
4 and other curricular areas.

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

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

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

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

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

26 Sec. 107. (1) The prorated membership of a part-time pupil,  
27 18 years of age or older on September 1 of a school year,

1 attending adult education classes in grades 1 to 12 shall be  
2 computed by applying a ratio which is the relation between the  
3 number of hours of student instruction received and 480 clock  
4 hours of classroom instruction. Time required to pass to and  
5 from classes shall be counted as classroom instruction, but meal  
6 time, study halls, or recess time shall not be counted. A dis-  
7 trict that counts pupils under this subsection shall have its  
8 board approve a district-wide plan for adult education. The plan  
9 shall address goals and objectives for the adult education  
10 program. The district shall submit to the department, not later  
11 than November 1 ~~1988~~ EACH YEAR FOR EACH FISCAL YEAR IN WHICH  
12 FUNDING IS RECEIVED FOR THE ADULT EDUCATION PROGRAM, a resolution  
13 adopted by its board indicating that the district complies with  
14 all of the following requirements:

15 (a) The district has incorporated into its plan as required  
16 under subsection (1) as guidelines the adult education standards  
17 of quality approved by the state board.

18 (b) The district has implemented an adult education pupil  
19 retention plan.

20 (c) The district has implemented an adult education plan  
21 that includes placement, follow-up, and evaluation.

22 (2) For purposes of determining membership under this sec-  
23 tion, a district may count towards classroom instruction only the  
24 following courses and number of credit hours:

25 (a) A total of 10 credits of English or communication  
26 skills, mathematics, science, and social science, with not less  
27 than 2 years of each subject specified in this subdivision.



(b) One credit of health.

(c) Four credits of a foreign language, vocational education, or any combination thereof.

(d) One credit of computer education or the equivalent, as approved by the department.

(e) Four additional credits of any of the subjects specified in subdivisions (a) to (d).

(3) For purposes of subsection (2), a credit hour shall not exceed 120 clock hours of classroom instruction, and credit hours earned by a pupil during previous school years shall be counted. Prorated membership may be included for pupils enrolled and making progress in adult basic education, which is instruction in mathematics, reading, or English at or below the eighth grade level.

(4) A district that counts adult education pupils in membership and complies with the requirements of this section and section 108 shall receive regularly scheduled state aid payments for which the district qualifies under this act in accordance with the following table:

ADULT EDUCATION PAYMENTS

10% for demonstration of a completed comprehensive assessment as required by section 108(1)(c).

80% for enrollment of eligible pupils.

10% for attainment of a high school diploma, for passage of the general education development (GED) test, or for completion of the adult basic education objectives by achieving an eighth grade level in reading, English, or mathematics.

1 Not more than 10% for classroom attendance.

2 (5) For purposes of subsection (4), classroom attendance  
3 shall be measured by the total cumulative membership clock hours  
4 of classroom instruction. The total cumulative membership clock  
5 hours of classroom instruction shall be determined by multiplying  
6 the total membership by 480 hours. Credit for cumulative member-  
7 ship clock hours of classroom instruction shall be determined by  
8 dividing the total number of clock hours of classroom instruction  
9 attended by the total number of cumulative membership clock  
10 hours. The specific percentage allowable for attendance shall be  
11 in accordance with the following table:

12	0 - 25% attended clock hours - 2.5%
13	26 - 50% attended clock hours - 5%
14	51 - 75% attended clock hours - 7.5%
15	76 - 100% attended clock hours - 10%

16 Sec. 108. (1) A district operating an adult education pro-  
17 gram and receiving an allocation under section 21(1) shall:

18 (a) Provide the program within the geographic boundaries of  
19 the district.

20 (b) Develop course descriptions for all adult basic and high  
21 school completion courses approved by the board of education  
22 which shall be available for review by the department not later  
23 than October 1 of each school year.

24 (c) Have on file a planned program for adult basic education  
25 or a planned program for a high school diploma, or both, for each  
26 individual enrolled in an adult basic education program or adult  
27 high school completion program, or both, comparable to planned

1 programs maintained for a pupil in the regular program of the  
2 district.

3 (d) Ensure that the adult high school completion program is  
4 comparable to the requirements and standards of other high school  
5 completion programs in that district. If modifications are made  
6 in programs or courses, or both, to accommodate adult needs, spe-  
7 cific rationale for the modifications shall be available for  
8 review.

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

11 (f) Submit to the department not later than October 30 ~~7~~  
12 ~~+988-~~ EACH YEAR a report describing the district's activities in  
13 ~~+987-88-~~ THE FISCAL YEAR ENDING THE IMMEDIATELY PRECEDING  
14 SEPTEMBER 30 that pertain to requirements set forth in subdivi-  
15 sions (d) and (e).

16 (2) Two or more K to 12 districts may conduct adult educa-  
17 tion programs on a cooperative basis. Cooperating districts  
18 shall enter into an annual written agreement which shall cover  
19 all of the high school completion programs and adult basic educa-  
20 tion programs offered within the participating districts.

21 Exceptions to this provision may be made with the approval of the  
22 department. An agreement shall include the educational, adminis-  
23 trative, management, operational, and financial matters concern-  
24 ing adult education programs and services offered by all the par-  
25 ticipating districts. One district shall be designated in the  
26 agreement as the administrator of the adult education cooperative  
27 program and shall operate the program as a direct extension of

1 the district, except that the pupils enrolled in the program may  
2 be counted on the pupil membership count day of the district in  
3 which the pupils' classes are held. The district serving as the  
4 administrator of the adult education program shall pay only rea-  
5 sonable fees for services, facilities, and utilities provided  
6 directly to the program by a cooperative district. These fees  
7 shall reflect only actual costs to the cooperating district. No  
8 other payments may be made to a cooperating district by the dis-  
9 trict serving as the administrator of the adult education  
10 program. The fee schedule to be paid by the administrative dis-  
11 trict of the adult education program shall be included as part of  
12 the annual written agreement between cooperating districts. The  
13 administrative district shall maintain for 5 years records of  
14 fees paid under the agreement. The funds generated by the admin-  
15 istering district shall be used to support actual reasonable  
16 costs of the adult education programs in the cooperative program  
17 with the exception that administering districts may use revenues  
18 in addition to that needed to meet the costs of the adult educa-  
19 tion program to provide supplemental services within the consor-  
20 tium in the areas of early childhood education, alternative edu-  
21 cation, dropout prevention, community education, teen parent pro-  
22 grams for youth, or other department-approved education  
23 programs.

24 (3) A district which does not receive an allocation under  
25 section 21(1), with the approval of the department, may enter  
26 into a cooperative arrangement with a district which receives  
27 membership aid for the purpose of obtaining educational services

1 for adult pupils. These cooperative arrangements shall meet the  
2 same conditions as those listed in subsection (2).

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

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

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

13 Sec. 143. (1) From the amount appropriated in section 11,  
14 there shall be allocated to each eligible district for ~~+1988-89-~~  
15 1989-90 the following amount per pupil, except as provided in  
16 subsection (2):

17 (a) Add the following:

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

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

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

26 (b) From the sum obtained in subdivision (a), subtract the  
27 following:

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

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

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

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

13       Sec. 144. (1) From the amount appropriated in section 11,  
14 there is allocated an amount not to exceed \$130,000.00 for  
15 ~~1988-89~~ 1989-90 to applicant districts not receiving a member-  
16 ship allocation under section 21(1), that have sustained an SEV  
17 reduction due to the listing of forest land under Act No. 94 of  
18 the Public Acts of 1925, being sections 320.301 to 320.314 of the  
19 Michigan Compiled Laws, and that levied 25.615 mills or 35.16  
20 mills for operating purposes in 1985-86.

21       (2) An applicant district's entitlement shall be determined  
22 as follows:

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

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

5 Sec. 145. From the amount appropriated in section 11, there  
6 is allocated for ~~+1988-89-~~ 1989-90 an amount sufficient to pay  
7 the state share of desegregation costs mandated by the federal  
8 court before June 1, 1983, in Berry v school district of the city  
9 of Benton Harbor, United States district court for the western  
10 district of Michigan, docket no. C.A. 9.

11 Sec. 146. (1) ~~Except as otherwise provided in this act,~~  
12 ~~from the amount appropriated in section 11, there is allocated to~~  
13 ~~each district and intermediate district an amount equal to the~~  
14 ~~employer's share of the district's or intermediate district's~~  
15 ~~federal social security obligations, 7.51% on calendar 1988~~  
16 ~~employee's wage base up to \$45,000.00, and 7.51% on calendar 1989~~  
17 ~~employee's wage base up to \$47,000.00.~~ FROM THE AMOUNT APPROPRI-  
18 ATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED  
19 \$340,307,000.00 FOR 1989-90 FOR THE PART PAYMENT OF THE  
20 EMPLOYER'S SHARE OF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S  
21 FEDERAL SOCIAL SECURITY OBLIGATIONS.

22 (2) Except as otherwise provided in this act, the state  
23 shall not assume the employer's share of federal social security  
24 obligations for the federally funded employees of the district or  
25 intermediate district, nor for individuals employed pursuant to  
26 the Michigan youth corps act, Act No. 69 of the Public Acts of  
27 1983, being sections 409.221 to 409.229 of the Michigan Compiled

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

4       (3) Monthly payments to districts or intermediate districts,  
5 for social security obligations only, shall be disbursed on a  
6 fiscal year schedule. These payments are determined by multiply-  
7 ing the state's percentage contribution by the estimated base  
8 payroll for each covered employee for the quarterly periods  
9 beginning in October of the school year. The state payments  
10 shall be prospective estimates, based upon data to be submitted  
11 to the department in a form and manner as required by the  
12 department. Payments required to satisfy social security obliga-  
13 tions of each district or intermediate district shall be adjusted  
14 by the department as necessary to reflect actual requirements of  
15 preceding completed payrolls and payroll periods, and shall be  
16 adjusted finally by the department for the fiscal year ending  
17 September 30, ~~1989~~ 1990 pursuant to section 41 of the public  
18 school employees retirement act of 1979, Act No. 300 of the  
19 Public Acts of 1980, being section 38.1341 of the Michigan  
20 Compiled Laws.

21       (4) Each district or intermediate district shall remit  
22 directly to the appropriate federal government agency the total  
23 employer share and the total employee share of the district's or  
24 intermediate district's social security obligation. Social  
25 security contributions shall not be remitted to the social secur-  
26 ity contribution fund as otherwise required by section 42(6) of



1 Act No. 300 of the Public Acts of 1980, being section 38.1342 of  
2 the Michigan Compiled Laws.

3 (5) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), THERE IS  
4 PROVIDED TO EACH DISTRICT AND INTERMEDIATE DISTRICT AN AMOUNT  
5 EQUAL TO THE EMPLOYER'S SHARE OF FEDERAL SOCIAL SECURITY OBLIGA-  
6 TIONS, 7.65% ON CALENDAR 1989 EMPLOYEE'S WAGE BASE UP TO  
7 \$48,000.00 AND 7.65% ON CALENDAR 1990 EMPLOYEE'S WAGE BASE UP TO  
8 \$50,000.00, EXCEPT THAT THE NET AMOUNT PROVIDED THERETO SHALL BE  
9 DETERMINED BY THE PRODUCT OF (A) THE 1988-89 RECONCILED STATE AID  
10 PAYMENT TO THE DISTRICT OR INTERMEDIATE DISTRICT FOR SOCIAL  
11 SECURITY PURPOSES AND (B) THE FRACTION DERIVED FROM THE DIVISION  
12 OF \$340,307,000.00 BY THE 1988-89 RECONCILED TOTAL STATE AID PAY-  
13 MENTS FOR SOCIAL SECURITY PURPOSES.

14 SEC. 147. (1) FROM THE AMOUNT APPROPRIATED IN SECTION 11,  
15 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$2,500,000.00 FOR  
16 1989-90 TO REIMBURSE CERTAIN K TO 12 DISTRICTS FOR 1989-90  
17 EMPLOYER SOCIAL SECURITY OBLIGATIONS NOT REIMBURSED UNDER  
18 SECTION 146 AND FOR 1989-90 PAYMENTS TO THE PUBLIC SCHOOL  
19 EMPLOYEES' RETIREMENT SYSTEM IN EXCESS OF A 5% CONTRIBUTION  
20 RATE. A DISTRICT ELIGIBLE TO RECEIVE REIMBURSEMENT UNDER THIS  
21 SECTION SHALL MEET THE FOLLOWING REQUIREMENTS:

22 (A) THE DISTRICT DID NOT RECEIVE AN ALLOCATION UNDER  
23 SECTION 21(1) IN 1988-89.

24 (B) THE PRODUCT OF THE DISTRICT'S STATE EQUALIZED VALUATION  
25 BEHIND EACH MEMBERSHIP PUPIL AND THE MILLAGE LEVIED FOR OPERATING  
26 PURPOSES WAS LESS THAN \$3,000.00 IN 1988-89.

1 (2) REIMBURSEMENT SHALL NOT BE PROVIDED FOR THOSE EMPLOYER  
2 SOCIAL SECURITY OBLIGATIONS DEFINED UNDER SECTION 146(2) NOR FOR  
3 PAYMENTS TO THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR  
4 FEDERALLY FUNDED MEMBERS.

5 Sec. 164. In ~~1988-89~~ 1989-90, a district or intermediate  
6 district shall forfeit an amount of funds to which the district  
7 or intermediate district otherwise would be entitled under this  
8 act equal to the district's or intermediate district's expendi-  
9 tures in the ~~1987-88~~ 1988-89 fiscal year for cars for board  
10 members, and for chauffeurs for board members or administrators.

11 Sec. 166. For ~~1988-89~~ 1989-90, a district in which a  
12 school official, member of a board, or other person dispenses or  
13 otherwise distributes a family planning drug or device in a  
14 public school in violation of section 1507 of the school code of  
15 1976, Act No. 451 of the Public Acts of 1976, being section  
16 380.1507 of the Michigan Compiled Laws, dispenses prescriptions  
17 for any family planning drug, or makes referrals for abortions  
18 shall forfeit 5% of its total state aid appropriation.

19 Section 2. In accordance with the provisions of section 30  
20 of article IX of the state constitution of 1963, total state  
21 spending in this amendatory act is \$2,499,634,000.00 and state  
22 appropriations to be paid to local units of government are  
23 \$2,159,327,000.00.

24 Section 3. Section 23 of Act No. 94 of the Public Acts of  
25 1979, being section 388.1623 of the Michigan Compiled Laws, is  
26 repealed.

1       Section 4. This amendatory act shall take effect October 1,  
2 1989.