

No. 66
JOURNAL OF THE HOUSE

House Chamber, Lansing, Wednesday, July 9, 1997.

12:01 a.m.

The House was called to order by the Speaker.

The roll was called by the Clerk of the House of Representatives, who announced that a quorum was present.

Agee—present	Emerson—present	Kaza—present	Price—present
Alley—present	Fitzgerald—present	Kelly—present	Profit—present
Anthony—present	Frank—present	Kilpatrick—present	Prusi—present
Baade—present	Freeman—present	Kukuk—present	Quarles—present
Baird—present	Gagliardi—present	LaForge—present	Rackowski—present
Bankes—present	Galloway—present	Law—present	Rhead—present
Basham—present	Geiger—present	Leland—present	Richner—present
Birkholz—present	Gernaat—present	LeTarte—excused	Rison—present
Bobier—present	Gilmer—present	Llewellyn—present	Rocca—present
Bodem—present	Gire—excused	London—present	Schauer—present
Bogardus—present	Godchaux—present	Lowe—present	Schermesser—present
Brackenridge—present	Goschka—present	Mans—present	Schroer—present
Brater—present	Green—present	Martinez—present	Scott—present
Brewer—present	Griffin—present	Mathieu—present	Scranton—present
Brown—present	Gubow—present	McBryde—present	Sikkema—present
Byl—present	Gustafson—present	McManus—present	Stallworth—present
Callahan—present	Hale—present	McNutt—present	Tesanovich—present
Cassis—present	Hammerstrom—present	Middaugh—present	Thomas—present
Cherry—present	Hanley—present	Middleton—present	Varga—present
Ciaramitaro—present	Harder—present	Murphy—excused	Vaughn—present
Crissman—present	Hertel—present	Nye—present	Voorhees—present
Cropsey—present	Hood—present	Olshove—present	Walberg—excused
Curtis—present	Horton—present	Owen—present	Wallace—present
Dalman—present	Jansen—present	Oxender—present	Wetters—present
DeHart—present	Jaye—present	Palamara—e/d/s	Whyman—present
DeVuyst—present	Jelinek—present	Parks—excused	Willard—present
Dobb—present	Jellema—present	Perricone—present	Wojno—present
Dobronski—present	Johnson—present		

e/d/s = entered during session

Rep. Terry London, from the 81st District, offered the following invocation:

“Our Heavenly Father, Grant us the strength and the courage to finish our work and, Lord, let us do it in Thy will. Keep us safe as we return to our homes. In Your name, we pray. Amen.”

Rep. Hammerstrom moved that Reps. LeTarte and Walberg be excused from today’s session.
The motion prevailed.

Rep. Dobronski moved that Reps. Parks, Murphy and Gire be excused from today’s session.
The motion prevailed.

Rep. Wetters asked and obtained a temporary excuse from today’s session.

Notices

July 9, 1997

In accordance with House Rule 10, I hereby designate Representative Eileen DeHart, to be the Presiding Officer for all, or part of today’s session.

Sincerely,
Curtis Hertel
Speaker of the House

Recess

Rep. Gagliardi moved that the House take a recess until 10:00 a.m.
The motion prevailed, the time being 12:20 a.m.
The Speaker announced that the House would take a recess until 10:00 a.m.

After Recess

10:00 a.m.

The House was called to order by Acting Speaker DeHart.

Rep. Gagliardi questioned the presence of a quorum and moved that the roll be called and printed in the Journal.
The motion prevailed.
The roll was called and the Clerk announced that a quorum was present.
The following is the roll call:

Roll Call No. 731

Yeas—83

Agee
Anthony
Baade
Baird
Banks
Basham
Birkholz

DeVuyst
Dobb
Dobronski
Frank
Freeman
Gagliardi
Geiger

Jelinek
Jellema
Kaza
Kelly
Kilpatrick
Kukuk
Law

Prusi
Quarles
Rackowski
Rhead
Richner
Rison
Rocca

Bobier	Gernaat	Llewellyn	Schermesser
Bodem	Gilmer	London	Schroer
Bogardus	Godchaux	Lowe	Scott
Brackenridge	Goschka	Mans	Scranton
Brown	Green	Martinez	Sikkema
Byl	Gubow	Mathieu	Stallworth
Callahan	Gustafson	McBryde	Tesanovich
Cassis	Hale	McManus	Thomas
Cherry	Hammerstrom	Middleton	Vaughn
Crissman	Hanley	Olshove	Voorhees
Cropsey	Harder	Owen	Whyman
Curtis	Horton	Oxender	Willard
Dalman	Jansen	Perricone	Wojno
DeHart	Jaye	Price	

In The Chair: DeHart

Rep. Gubow moved that Reps. Ciaramitaro and Emerson be excused temporarily from today's session.
The motion prevailed.

By unanimous consent the House returned to the order of
Messages from the Senate

Senate Bill No. 521, entitled

A bill to amend 1974 PA 198, entitled "An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties," by amending section 9 (MCL 207.559), as amended by 1996 PA 513.

The Senate has amended the House substitute (H-1) as follows:

1. Amend page 3, line 15, after "WAS" by striking out "FILED BETWEEN SEPTEMBER 1, 1996 AND OCTOBER 31" and inserting "APPROVED BY THE LOCAL GOVERNMENTAL UNIT ON OCTOBER 7".

The Senate has concurred in the House substitute (H-1) as amended and ordered that the bill be given immediate effect.

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

Rep. Gagliardi moved that Rule 45 be suspended.

The motion prevailed, 3/5 of the members present voting therefor.

The question being on concurring in the amendment made to the House substitute (H-1),

The amendment was concurred in, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 732

Yeas—88

Agee	Dobb	Jellema	Prusi
Anthony	Dobronski	Johnson	Quarles
Baade	Frank	Kelly	Raczkowski
Baird	Freeman	Kilpatrick	Rhead
Banks	Gagliardi	Kukuk	Richner
Basham	Galloway	Law	Rison
Birkholz	Geiger	Llewellyn	Rocca
Bobier	Gernaat	London	Schauer
Bodem	Gilmer	Lowe	Schermesser
Bogardus	Godchaux	Mans	Schroer

Brackenridge	Goschka	Martinez	Scott
Brewer	Green	Mathieu	Scranton
Brown	Gubow	McBryde	Sikkema
Byl	Gustafson	McManus	Stallworth
Callahan	Hale	Middaugh	Tesanovich
Cassis	Hammerstrom	Middleton	Thomas
Cherry	Hanley	Olshove	Varga
Crissman	Harder	Owen	Vaughn
Curtis	Hood	Oxender	Voorhees
Dalman	Horton	Perricone	Whyman
DeHart	Jansen	Price	Willard
DeVuyst	Jelinek	Profit	Wojno

Nays—3

Cropsey	Jaye	Kaza
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In The Chair: DeHart

By unanimous consent the House returned to the order of

Reports of Standing Committees

The Committee on Appropriations, by Rep. Hood, Chair, reported

Senate Bill No. 272, entitled

A bill to make and supplement appropriations for various state departments and agencies for the fiscal year ending September 30, 1997 and for the fiscal year ending September 30, 1996; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

SB 272 To Report Out:

Yeas: Reps. Hood, Mathieu, Ciaramitaro, Frank, Hale, Harder, Kelly, Martinez, Owen, Price, Prusi, Rison, Stallworth, Tesanovich, Gilmer, Bankes, Bobier, Geiger, Godchaux, Jansen, Jellema, McBryde, Oxender,

Nays: Reps. Schroer, Johnson.

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Hood, Chair of the Committee on Appropriations, was received and read:

Meeting held on: Tuesday, July 8, 1997, at 9:00 a.m.,

Present: Reps. Hood, Mathieu, Ciaramitaro, Frank, Hale, Harder, Kelly, Martinez, Owen, Price, Prusi, Rison, Schroer, Stallworth, Tesanovich, Gilmer, Bankes, Bobier, Geiger, Godchaux, Jansen, Jellema, Johnson, McBryde, Oxender,

Absent: Reps. Emerson, Parks,

Excused: Reps. Emerson, Parks.

Second Reading of Bills

Senate Bill No. 272, entitled

A bill to make and supplement appropriations for various state departments and agencies for the fiscal year ending September 30, 1997 and for the fiscal year ending September 30, 1996; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Appropriations,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Schroer moved to amend the bill as follows:

1. Amend page 47, following line 22, by inserting:

“DEPARTMENT OF MILITARY AFFAIRS

Sec. 551. The department of military affairs is authorized to receive and expend funds from the department of state police for the activation and reimbursement of national guard for duties related to the state of disaster declared as a result of the July 2, 1997 weather disaster.”.

The motion prevailed and the amendment was adopted, a majority of the members serving voting therefor.

Rep. McBryde moved that Rep. Bobier be excused temporarily from today’s session.
The motion prevailed.

Reps. Owen, McBryde and Schroer moved to amend the bill as follows:

1. Amend page 24, following line 8, by inserting:

“GRAND RAPIDS VETERANS’ HOME

Grand Rapids veterans’ home	\$ 100,000
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GROSS APPROPRIATION	\$ 100,000
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Appropriated from:

State general fund/general purpose.....	\$ 100,000”.
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2. Amend page 24, line 10, by striking out “806,400” and inserting “906,400”.

3. Amend page 24, line 19, by striking out “1,000,000” and inserting “500,000”.

4. Amend page 24, following line 19, by inserting:

“Veterans foundation.....	218,400
American legion.....	7,000
Disabled American veterans.....	6,300
Marine corps veterans	2,900
American veterans of World War II and Korea	4,000
Veterans of foreign wars	7,700
Michigan paralyzed veterans of America	1,400
Purple heart.....	1,400
Polish legion of American veterans.....	400
Jewish veterans of America.....	400
State of Michigan council Vietnam veterans of Michigan.....	50,000
Catholic war veterans.....	100”

and adjusting the subtotals, totals, and section 201 accordingly.

5. Amend page 31, following line 26, by inserting:

“(r) Department of military affairs, American legion.

(s) Department of military affairs, disabled American veterans.

(t) Department of military affairs, marine corps veterans.

(u) Department of military affairs, American veterans of World War II and Korea.

(v) Department of military affairs, veterans of foreign wars.

(w) Department of military affairs, Michigan paralyzed veterans of America.

(x) Department of military affairs, purple heart.

(y) Department of military affairs, Polish legion of American veterans.

(z) Department of military affairs, Jewish veterans of America.

(aa) Department of military affairs, state of Michigan council Vietnam veterans of Michigan.

(bb) Department of military affairs, Catholic war veterans.

(cc) Department of military affairs, Grand Rapids veterans’ home.

(dd) Department of military affairs, D.J. Jacobetti veterans’ home.” and relettering the remaining subdivisions.

The question being on the adoption of the amendment offered by Reps. Owen, McBryde and Schroer,

Rep. Owen demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the amendment offered by Reps. Owen, McBryde and Schroer,

The amendments were adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 733**Yeas—96**

Agee	DeVuyst	Jelinek	Price
Alley	Dobb	Jellema	Profit
Anthony	Dobronski	Johnson	Prusi
Baade	Fitzgerald	Kaza	Quarles
Baird	Frank	Kelly	Raczkowski
Banks	Freeman	Kilpatrick	Rhead
Basham	Gagliardi	Kukuk	Richner
Birkholz	Galloway	Law	Rison
Bodem	Geiger	Leland	Rocca
Bogardus	Gernaat	Llewellyn	Schauer
Brackenridge	Gilmer	London	Schermesser
Brater	Godchaux	Lowe	Schroer
Brewer	Goschka	Mans	Scott
Brown	Green	Martinez	Scranton
Byl	Gubow	Mathieu	Sikkema
Callahan	Gustafson	McBryde	Stallworth
Cassis	Hale	McManus	Tesanovich
Cherry	Hammerstrom	Middaugh	Thomas
Ciaramitaro	Hanley	Middleton	Varga
Crissman	Harder	Nye	Vaughn
Cropsey	Hood	Olshove	Voorhees
Curtis	Horton	Owen	Whyman
Dalman	Jansen	Oxender	Willard
DeHart	Jaye	Perricone	Wojno

Nays—0

In The Chair: DeHart

The Speaker resumed the Chair.

Rep. Jaye moved to amend the bill as follows:

1. Amend page 19, line 21, by striking out “17,141,300” and inserting “8,741,300”.

2. Amend page 19, line 26, by striking out all of line 26.

3. Amend page 29, following line 9, by inserting:

“DEPARTMENT OF TRANSPORTATION

Road repairs	\$ 8,400,000
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GROSS APPROPRIATION	\$ 8,400,000
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Appropriated from:

State general fund/general purpose	\$ 8,400,000”
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and adjusting subtotals, totals and section 201 accordingly.

The question being on the adoption of the amendments offered by Rep. Jaye,

Rep. Jaye demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the amendments offered by Rep. Jaye,

The amendments were not adopted, a majority of the members serving not voting therefor, by yeas and nays, as follows:

Roll Call No. 734**Yeas—24**

Brewer	Galloway	Kukuk	Raczkowski
Brown	Goschka	Lowe	Rocca

Callahan
Cropsey
DeVuyst
Frank

Green
Jaye
Jellema
Kaza

McBryde
Middaugh
Nye
Perricone

Voorhees
Whyman
Willard
Wojno

Nays—69

Agee
Alley
Anthony
Baade
Banks
Basham
Birkholz
Bobier
Bodem
Bogardus
Brackenridge
Brater
Byl
Cassis
Cherry
Ciaramitaro
Crissman
Curtis

Dalman
DeHart
Dobb
Dobronski
Fitzgerald
Freeman
Gagliardi
Gernaat
Gilmer
Godchaux
Gubow
Gustafson
Hale
Hammerstrom
Hanley
Harder
Hertel

Hood
Horton
Jansen
Jelinek
Johnson
Kelly
Kilpatrick
Leland
Llewellyn
London
Mans
Martinez
Mathieu
McManus
Middleton
Olshove
Owen

Oxender
Price
Prusi
Quarles
Rhead
Richner
Rison
Schauer
Schermesser
Scott
Scranton
Sikkema
Stallworth
Tesanovich
Thomas
Varga
Vaughn

In The Chair: Hertel

Rep. Jaye moved to amend the bill as follows:

1. Amend page 45, following line 6, by inserting:

“Sec. 412. Real property other than the family home if that home is a single family home occupied by a recipient of benefits or assistance from the family independence agency shall be included as an asset when determining eligibility for benefits or assistance from the family independence agency. Any income producing property shall be included as income when determining eligibility for benefits or assistance from the family independence agency.”.

The question being on the adoption of the amendment offered by Rep. Jaye,

Rep. Jaye demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the amendment offered by Rep. Jaye,

The amendment was not adopted, a majority of the members serving not voting therefor, by yeas and nays, as follows:

Roll Call No. 735**Yeas—42**

Birkholz
Bogardus
Brewer
Brown
Callahan
Cassis
Cropsey
Curtis
DeHart
DeVuyst
Dobb

Frank
Geiger
Gernaat
Goschka
Gustafson
Jaye
Jelinek
Kaza
Kukuk
Llewellyn
Lowe

McBryde
Middaugh
Middleton
Nye
Olshove
Oxender
Perricone
Profit
Rackowski
Rhead

Richner
Rocca
Schauer
Scranton
Sikkema
Voorhees
Wetters
Whyman
Willard
Wojno

Nays—59

Agee	Dalman	Harder	McManus
Alley	Dobronski	Hertel	Owen
Anthony	Emerson	Hood	Price
Baade	Fitzgerald	Horton	Prusi
Baird	Freeman	Jansen	Rison
Bankes	Gagliardi	Jellema	Schermesser
Basham	Galloway	Johnson	Schroer
Bobier	Gilmer	Kelly	Scott
Bodem	Godchaux	Kilpatrick	Stallworth
Brackenridge	Green	LaForge	Tesanovich
Brater	Griffin	Leland	Thomas
Byl	Gubow	London	Varga
Cherry	Hale	Mans	Vaughn
Ciaramitaro	Hammerstrom	Martinez	Wallace
Crissman	Hanley	Mathieu	

In The Chair: Hertel

Rep. Jaye moved to amend the bill as follows:

1. Amend page 24, following line 1, by inserting:

“MICHIGAN JOBS COMMISSION

APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	(50,000,000)
ADJUSTED GROSS APPROPRIATION	\$	(50,000,000)
State general fund/general purpose	\$	(50,000,000)
DEPARTMENT GRANTS		
Economic development job training grants	\$	(25,000,000)
Work first grants		(25,000,000)
GROSS APPROPRIATION	\$	(50,000,000)
State general fund/general purpose	\$	(50,000,000)”

and adjusting the subtotals, totals, and section 201 accordingly.

2. Amend page 47, following line 22, by inserting:

“MICHIGAN JOBS COMMISSION

Sec. 551. Funds from the negative appropriation in section 101 for the Michigan jobs commission shall be deposited into the fund for uninsured children which is created in the department of treasury. Money in the fund for uninsured children shall be used to provide health insurance for uninsured children in this state.”.

The motion did not prevail and the amendments were not adopted, a majority of the members serving not voting therefor.

Reps. Brackenridge and Ciaramitaro moved to amend the bill as follows:

1. Amend page 52, following line 9, by inserting:

“Sec. 673. The department of state in conjunction with the clerk of the local governmental unit who is participating in the pilot project making use of the qualified voter file during the fiscal year shall prepare a report on the effectiveness, efficiency, and shortcomings of the qualified voter file. The department of state shall provide a copy of the report to the senate and house of representatives standing committees on local government and to the senate and house appropriations subcommittees on general government.”.

The motion prevailed and the amendment was adopted, a majority of the members serving voting therefor.

Rep. Voorhees moved to amend the bill as follows:

1. Amend page 45, following line 6, by inserting:

“Sec. 409. A person who received any benefits or assistance from the family independence agency who receives any lottery winnings, or inheritance over \$1,000.00, shall repay the family independence agency the amount of benefits or other assistance received from 50% of the winnings or inheritance.”.

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Rep. Palamara entered the House Chambers.

Rep. Freeman moved that Rep. Gubow be excused temporarily from today's session.
The motion prevailed.

Rep. Jaye moved to amend the bill as follows:

1. Amend page 45, following line 6, by inserting:

"Sec. 410. If the owner of a home or apartment complex received a weatherization grant over \$1,000.00, the family independence agency shall place a lien on that home or apartment to be paid when the property is sold."

The question being on the adoption of the amendment offered by Rep. Jaye,

Rep. Jaye demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the amendment offered by Rep. Jaye,

The amendment was not adopted, a majority of the members serving not voting therefor, by yeas and nays, as follows:

Roll Call No. 736

Yeas—41

Birkholz	Dobb	Jelinek	Oxender
Bodem	Fitzgerald	Jellema	Perricone
Brackenridge	Frank	Kukuk	Raczkowski
Brewer	Geiger	Llewellyn	Richner
Brown	Gernaat	Lowe	Rocca
Callahan	Goschka	Mans	Schauer
Cassis	Green	McBryde	Voorhees
Crissman	Gustafson	McNutt	Whyman
Cropsey	Hammerstrom	Middaugh	Willard
Dalman	Jaye	Nye	Wojno
DeHart			

Nays—58

Agee	Freeman	Kelly	Rhead
Alley	Gagliardi	Kilpatrick	Rison
Anthony	Galloway	LaForge	Schermesser
Baade	Gilmer	Law	Schroer
Baird	Godchaux	Leland	Scott
Bankes	Griffin	London	Scranton
Basham	Hale	Martinez	Sikkema
Bogardus	Hanley	Mathieu	Stallworth
Brater	Harder	McManus	Tesanovich
Byl	Hertel	Middleton	Thomas
Cherry	Hood	Palamara	Varga
Ciaramitaro	Horton	Price	Vaughn
Curtis	Jansen	Prusi	Wallace
DeVuyst	Johnson	Quarles	Wetters
Dobronski	Kaza		

In The Chair: Hertel

Reps. McManus and Goschka moved to amend the bill as follows:

1. Amend page 45, following line 6, by inserting:

"Sec. 409. (1) The family independence agency shall periodically compare its records of individuals who receive or use food stamps or coupons, food stamp access devices, or food stamp program benefits with the records of individuals committed to the jurisdiction of the department of corrections to identify and terminate the eligibility of individuals who are ineligible for those food stamps or coupons, food stamp access devices, or food stamp program benefits because they are committed to the jurisdiction of the department of corrections."

(2) If cost effective, the family independence agency shall also compare its records of individuals who receive or use food stamps or coupons, food stamp access devices, or food stamp program benefits with the records of individuals incarcerated in local governmental units that have substantial jail populations.

(3) The family independence agency shall report to the house and senate appropriations subcommittees on the family independence agency the results of the actions required by this section.”.

The question being on the adoption of the amendment offered by Reps. McManus and Goschka,

Rep. Goschka demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the amendment offered by Reps. McManus and Goschka,

The amendment was adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 737

Yeas—79

Agee	Dobronski	Jelinek	Oxender
Alley	Fitzgerald	Jellema	Palamara
Anthony	Frank	Johnson	Perricone
Bankes	Freeman	Kaza	Profit
Birkholz	Gagliardi	Kelly	Prusi
Bobier	Galloway	Kukuk	Raczkowski
Bodem	Geiger	Law	Rhead
Bogardus	Gernaat	Llewellyn	Richner
Brewer	Gilmer	London	Rocca
Brown	Godchaux	Lowe	Schauer
Callahan	Goschka	Mans	Schermesser
Cassis	Green	Mathieu	Scranton
Cherry	Griffin	McBryde	Sikkema
Crissman	Gustafson	McManus	Tesanovich
Cropsey	Hammerstrom	McNutt	Voorhees
Curtis	Hanley	Middaugh	Wetters
Dalman	Harder	Middleton	Whyman
DeHart	Horton	Nye	Willard
DeVuyst	Jansen	Olshove	Wojno
Dobb	Jaye	Owen	

Nays—16

Basham	Hood	Price	Thomas
Brater	Kilpatrick	Schroer	Varga
Hale	LaForge	Scott	Vaughn
Hertel	Leland	Stallworth	Wallace

In The Chair: Hertel

Rep. Geiger moved to amend the bill as follows:

1. Amend page 45, following line 6, following section 409, by inserting:

“**JUDICIAL BRANCH**

Sec. 451. (1) The chief financial officer of a funding unit for a court, in cooperation with the local court, shall provide to the state treasurer and state court administrative office by January 1, 1998 audited accounts of all money due and owing the court as of September 30, 1997. Where audited accounts are not available, the chief financial officer of a funding unit for a court may provide estimates as long as they are clearly marked as “estimated”.

(2) Each court funding unit, in cooperation with the local court, shall submit to the state treasurer and state court administrative office by January 1, 1998 a plan to collect its audited or estimated accounts receivable under existing provisions of law. A funding unit may file a request for an extension of time, not to exceed 30 days, with the state treasurer and the state court administrative office.

(3) The state treasurer shall report to the legislature a compilation of the estimated receivables of all courts and cumulative totals by March 1, 1998. This report is a public record.”.

2. Amend page 54, following line 12, by inserting:

“Sec. 1102. Section 312 of 1996 PA 375 is repealed.”.

The motion prevailed and the amendments were adopted, a majority of the members serving voting therefor.

Acting Speaker DeHart resumed the Chair.

Rep. Kaza moved to amend the bill as follows:

1. Amend page 24, following line 1, by inserting:

“MICHIGAN JOBS COMMISSION

APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	(50,000,000)
ADJUSTED GROSS APPROPRIATION	\$	(50,000,000)
State general fund/general purpose	\$	(50,000,000)
DEPARTMENT GRANTS		
Economic development job training grants	\$	(25,000,000)
Work first grants		(25,000,000)
GROSS APPROPRIATION	\$	(50,000,000)
State general fund/general purpose	\$	(50,000,000)”

and adjusting the subtotals, totals, and section 201 accordingly.

2. Amend page 47, following line 22, by inserting:

“MICHIGAN JOBS COMMISSION

Sec. 551. Funds from the negative appropriation in section 101 for the Michigan jobs commission shall be deposited into the fund for road improvements which is created in the department of treasury. Money in the fund for road improvements shall be used for road construction and road improvements in this state.” and renumbering the remaining section.

The question being on the adoption of the amendments offered by Rep. Kaza,

Rep. Kaza demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the amendments offered by Rep. Kaza,

The amendments were not adopted, a majority of the members serving not voting therefor, by yeas and nays, as follows:

Roll Call No. 738

Yeas—32

Bogardus	Freeman	Leland	Rocca
Brewer	Gagliardi	Lowe	Scott
Brown	Goschka	McBryde	Vaughn
Callahan	Harder	Middleton	Voorhees
Cropsey	Jaye	Nye	Wetters
Curtis	Kaza	Olshove	Whyman
DeHart	Kukuk	Prusi	Willard
Frank	LaForge	Rackowski	Wojno

Nays—65

Agee	DeVuyst	Jansen	Palamara
Alley	Dobb	Jelinek	Perricone
Anthony	Dobronski	Jellema	Price
Baade	Fitzgerald	Johnson	Profit
Banks	Geiger	Kelly	Quarles
Basham	Gernaat	Law	Richner
Birkholz	Gilmer	Llewellyn	Schauer
Bobier	Godchaux	London	Schermesser

Bodem	Green	Mans	Schroer
Brackenridge	Griffin	Martinez	Scranton
Brater	Gustafson	Mathieu	Sikkema
Byl	Hale	McManus	Stallworth
Cassis	Hammerstrom	McNutt	Tesanovich
Cherry	Hanley	Middaugh	Thomas
Ciaramitaro	Hood	Owen	Varga
Crissman	Horton	Oxender	Wallace
Dalman			

In The Chair: DeHart

Rep. Bobier moved to amend the bill as follows:

1. Amend page 21, line 1, by striking out all of lines 1 through 15 and adjusting the subtotals, totals, and section 201 accordingly.

The question being on the adoption of the amendment offered by Rep. Bobier,

Rep. Bobier demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the amendment offered by Rep. Bobier,

The amendment was not adopted, a majority of the members serving not voting therefor, by yeas and nays, as follows:

Roll Call No. 739

Yeas—51

Banks	Galloway	Johnson	Nye
Birkholz	Geiger	Kaza	Oxender
Bobier	Gernaat	Kukuk	Perricone
Bodem	Godchaux	Law	Raczkowski
Brackenridge	Goschka	Llewellyn	Rhead
Byl	Green	London	Richner
Cassis	Gustafson	Lowe	Rocca
Crissman	Hammerstrom	Mans	Schroer
Cropsey	Horton	McBryde	Scranton
Dalman	Jansen	McManus	Voorhees
DeVuyst	Jaye	McNutt	Whyman
Dobb	Jelinek	Middaugh	Willard
Fitzgerald	Jellema	Middleton	

Nays—50

Agee	DeHart	Kilpatrick	Rison
Alley	Dobronski	LaForge	Schauer
Anthony	Frank	Leland	Schermesser
Baade	Freeman	Martinez	Scott
Baird	Gagliardi	Mathieu	Stallworth
Basham	Gilmer	Olshove	Tesanovich
Bogardus	Griffin	Owen	Thomas
Brater	Hale	Palamara	Varga
Brewer	Hanley	Price	Vaughn
Brown	Harder	Profit	Wallace
Cherry	Hertel	Prusi	Wetters
Ciaramitaro	Hood	Quarles	Wojno
Curtis	Kelly		

In The Chair: DeHart

Rep. Bobier moved to amend the bill as follows:

1. Amend page 21, line 3, by striking out “4,700,000” and inserting “3,700,000”.
2. Amend page 21, line 9, by striking out all of lines 9 through 11.
3. Amend page 21, line 13, by striking out “4,700,000” and inserting “3,700,000”.
4. Amend page 21, line 15, by striking out “4,700,000” and inserting “3,700,000” and adjusting the subtotals, totals, and section 201 accordingly.

The question being on the adoption of the amendments offered by Rep. Bobier,

Rep. Bobier demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the amendments offered by Rep. Bobier,

The amendments were not adopted, a majority of the members serving not voting therefor, by yeas and nays, as follows:

Roll Call No. 740

Yeas—54

Baird	Dobb	Johnson	Oxender
Banks	Fitzgerald	Kaza	Perricone
Birkholz	Galloway	Kelly	Raczkowski
Bobier	Gernaat	Kukuk	Rhead
Bodem	Gilmer	Law	Richner
Brackenridge	Godchaux	London	Rocca
Brown	Goschka	Lowe	Schroer
Byl	Green	McBryde	Scranton
Callahan	Hammerstrom	McManus	Voorhees
Cassis	Horton	McNutt	Wetters
Crissman	Jansen	Middaugh	Whyman
Cropsey	Jaye	Middleton	Willard
Dalman	Jelinek	Nye	Wojno
DeVuyst	Jellema		

Nays—45

Agee	Dobronski	LaForge	Rison
Alley	Emerson	Leland	Schauer
Anthony	Frank	Mans	Schermesser
Baade	Freeman	Martinez	Scott
Basham	Gagliardi	Mathieu	Sikkema
Bogardus	Geiger	Olshove	Stallworth
Brater	Hale	Owen	Tesanovich
Brewer	Hanley	Palamara	Thomas
Cherry	Harder	Price	Varga
Ciaramitaro	Hood	Prusi	Vaughn
Curtis	Kilpatrick	Quarles	Wallace
DeHart			

In The Chair: DeHart

Rep. Galloway moved to amend the bill as follows:

1. Amend page 53, following line 7, by inserting:

“Sec. 705. If the department of state police is responsible for a court judgment or out-of-court settlement resulting from an affirmative action plan found unconstitutional or otherwise illegal and that plan was imposed on the department of state police by the department of civil service, the department of state police shall submit a claim in the amount of the judgment or out-of-court settlement to the department of civil service for it to defray the costs of the judgment or out-of-court settlement from its budget.”.

The question being on the adoption of the amendment offered by Rep. Galloway,
Rep. Galloway demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the amendment offered by Rep. Galloway,

The amendment was not adopted, a majority of the members serving not voting therefor, by yeas and nays, as follows:

Roll Call No. 741**Yeas—45**

Birkholz	Godchaux	Kaza	Middleton
Bodem	Goschka	Kukuk	Nye
Brackenridge	Green	Law	Oxender
Cassis	Gustafson	Llewellyn	Perricone
Crissman	Hammerstrom	London	Rackowski
Cropsey	Horton	Lowe	Rhead
Dalman	Jansen	Mans	Richner
DeVuyst	Jaye	McBryde	Rocca
Dobb	Jelinek	McManus	Sikkema
Galloway	Jellema	McNutt	Whyman
Geiger	Johnson	Middaugh	Wojno
Gernaat			

Nays—50

Agee	DeHart	Kilpatrick	Schroer
Anthony	Dobronski	Leland	Scott
Baird	Fitzgerald	Martinez	Scranton
Basham	Frank	Mathieu	Stallworth
Bobier	Freeman	Owen	Tesanovich
Bogardus	Gagliardi	Price	Thomas
Brater	Gilmer	Profit	Varga
Brewer	Griffin	Prusi	Vaughn
Byl	Gubow	Quarles	Voorhees
Callahan	Hale	Rison	Wallace
Cherry	Harder	Schauer	Wetters
Ciaramitaro	Hood	Schermesser	Willard
Curtis	Kelly		

In The Chair: DeHart

Rep. Wetters asked and obtained a temporary excuse from today's session.

Reps. McNutt and Scranton moved to amend the bill as follows:

1. Amend page 20, following line 26, by inserting:

“ASSISTANCE PAYMENTS, SERVICES, AND CLERICAL FIELD STAFF

Volunteer services coordinators, salaries, and wages—86.0 FTE positions.....	\$	1,214,500
--	----	-----------

Volunteer services and reimbursement—(86.0) FTE positions.....		(1,214,500)
--	--	-------------

GROSS APPROPRIATION	\$	0
---------------------------	----	---

Appropriated from:

State general fund/general purpose	\$	0”
--	----	----

and adjusting the subtotals, totals, and section 201 accordingly.

2. Amend page 45, following line 6, following section 409, by inserting:

“Sec. 410. The funds appropriated in section 101 for volunteer services coordinators, salaries and wages, are funded by reducing the appropriated level of the volunteer services and reimbursement line item in 1996 PA 368.”.

The question being on the adoption of the amendments offered by Reps. McNutt and Scranton, Rep. McNutt demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the amendments offered by Reps. McNutt and Scranton,

The amendments were adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 742**Yeas—99**

Agee	Dobb	Johnson	Profit
Alley	Dobronski	Kaza	Prusi
Anthony	Fitzgerald	Kelly	Quarles
Baade	Frank	Kilpatrick	Raczkowski
Baird	Freeman	Kukuk	Rhead
Bankes	Gagliardi	LaForge	Richner
Basham	Galloway	Law	Rison
Birkholz	Geiger	Leland	Rocca
Bobier	Gernaat	Llewellyn	Schauer
Bodem	Gilmer	London	Schermesser
Bogardus	Godchaux	Lowe	Schroer
Brater	Goschka	Mans	Scott
Brewer	Green	Martinez	Scranton
Brown	Gubow	Mathieu	Stallworth
Byl	Gustafson	McBryde	Tesanovich
Callahan	Hale	McManus	Thomas
Cassis	Hammerstrom	McNutt	Varga
Cherry	Hanley	Middaugh	Vaughn
Ciaramitaro	Harder	Middleton	Voorhees
Crissman	Hood	Nye	Wallace
Cropsey	Horton	Olshove	Wetters
Curtis	Jansen	Owen	Whyman
Dalman	Jaye	Palamara	Willard
DeHart	Jelinek	Perricone	Wojno
DeVuyst	Jellema	Price	

Nays—0

In The Chair: DeHart

Rep. Geiger moved to amend the bill as follows:

1. Amend page 20, following line 26, by inserting:

“JUDICIARY

APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....	\$	199,000
--------------------------	----	---------

State general fund/general purpose	\$	199,000
--	----	---------

SUPREME COURT

Supreme court administration	\$	199,000
------------------------------------	----	---------

GROSS APPROPRIATION.....	\$	199,000
--------------------------	----	---------

Appropriated from:

State general fund/general purpose	\$	199,000”
--	----	----------

and adjusting the subtotals, totals, and section 201 accordingly.

2. Amend page 32, following line 6, by inserting:

“(w) Judicial branch, supreme court administration.”.

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Reps. Birkholz and Dalman moved to amend the bill as follows:

1. Amend page 53, line 2, after “1997” by inserting “or June 20 and 21, 1997”.

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Reps. Brackenridge and Ciaramitaro moved to amend the bill as follows:

1. Amend page 19, following line 21, by inserting:

“Qualified vote file \$ 250,000”.

2. Amend page 27, line 18, by striking out all of lines 18 through 22 and adjusting the subtotals, totals, and section 201 accordingly.

3. Amend page 45, following line 6, following section 410, by inserting:

“Sec. 411. From the funds appropriated in section 101 for the qualified voter file, the family independence agency shall establish a system for electronically compiling and transmitting to the qualified voter file information obtained from persons applying for benefits or services.”.

4. Amend page 52, line 6, by striking out all of section 672.

The motion prevailed and the amendments were adopted, a majority of the members serving voting therefor.

Reps. Gilmer and Agee moved to amend the bill as follows:

1. Amend page 29, following line 17, by inserting:

“Tobacco stamp implementation 1,200,000”

and adjusting the subtotals, totals, and section 201 accordingly.

The question being on the adoption of the amendment offered by Reps. Gilmer and Agee,

Rep. Gilmer demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the amendment offered by Reps. Gilmer and Agee,

Rep. Gubow moved to amend the Gilmer and Agee amendment as follows:

1. Amend the Gilmer and Agee amendment, page 29, following line 17, by striking out “1,200,000” and inserting “100”.

The question being on the adoption of the amendment offered by Rep. Gubow,

Rep. Gilmer demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the amendment offered by Rep. Gubow,

The amendment was not adopted, a majority of the members serving not voting therefor, by yeas and nays, as follows:

Roll Call No. 743

Yeas—13

Anthony
Brewer
Ciaramitaro
Goschka

Green
Gubow
Hertel

Jelinek
Martinez
Prusi

Schroer
Voorhees
Willard

Nays—88

Agee
Alley
Baade
Banks
Basham
Birkholz
Bobier
Bodem
Bogardus
Brackenridge
Brater
Brown
Byl
Callahan
Cassis
Cherry
Cropsey

Dobronski
Fitzgerald
Frank
Freeman
Gagliardi
Galloway
Geiger
Gernaat
Gilmer
Godchaux
Griffin
Gustafson
Hale
Hammerstrom
Hanley
Harder
Hood

Kaza
Kelly
Kilpatrick
Kukuk
LaForge
Law
Leland
Llewellyn
London
Lowe
Mans
Mathieu
McBryde
McManus
McNutt
Middaugh
Middleton

Perricone
Price
Profit
Quarles
Raczkowski
Rhead
Richner
Rocca
Schauer
Schermesser
Scott
Scranton
Sikkema
Stallworth
Tesanovich
Thomas
Varga

Curtis	Horton	Nye	Vaughn
Dalman	Jansen	Olshove	Wallace
DeHart	Jaye	Owen	Wetters
DeVuyst	Jellema	Oxender	Whyman
Dobb	Johnson	Palamara	Wojno

In The Chair: DeHart

Rep. Wetters asked and obtained a temporary excuse from today's session.

The question being on the adoption of the amendment offered previously by Reps. Gilmer and Agee,
After debate,

Rep. Hertel demanded the previous question.

The demand was supported.

The question being, "Shall the main question now be put?"

The previous question was ordered.

The question being on the adoption of the amendment offered previously by Reps. Gilmer and Agee,

The amendment was not adopted, a majority of the members serving not voting therefor, by yeas and nays, as follows:

Roll Call No. 744

Yeas—27

Agee	Cropsey	Gubow	McBryde
Banks	Emerson	Hertel	Middleton
Birkholz	Fitzgerald	Hood	Nye
Bobier	Frank	Jellema	Sikkema
Brewer	Freeman	Johnson	Willard
Byl	Geiger	Kilpatrick	Wojno
Ciaramitaro	Gilmer	Mathieu	

Nays—73

Alley	Galloway	Law	Quarles
Anthony	Gernaat	Leland	Raczkowski
Baird	Godchaux	Llewellyn	Rhead
Basham	Goschka	London	Richner
Bodem	Green	Lowe	Rison
Bogardus	Griffin	Mans	Rocca
Brackenridge	Gustafson	Martinez	Schauer
Brater	Hale	McManus	Schermesser
Brown	Hammerstrom	McNutt	Schroer
Callahan	Hanley	Middaugh	Scott
Cassis	Horton	Olshove	Scranton
Cherry	Jansen	Owen	Stallworth
Curtis	Jaye	Oxender	Tesanovich
Dalman	Jelinek	Palamara	Thomas
DeHart	Kaza	Perricone	Vaughn
DeVuyst	Kelly	Price	Voorhees
Dobb	Kukuk	Profit	Wallace
Dobronski	LaForge	Prusi	Whyman
Gagliardi			

In The Chair: DeHart

Reps. Brackenridge, Bodem, Dalman, Perricone, London, Cassis and Dobb, having reserved the right to explain their nay vote, made the following statement:

“Mr. Speaker and members of the House:

Cigarette smuggling is a serious and complex problem that illegally drains millions of dollars from our state treasury on an annual basis.

The House of Representatives has attempted to rectify this problem with a balanced, comprehensive plan on numerous occasions. This amendment is an ill-timed, piece-meal approach at best. Although well-intentioned, this amendment could create more problems than it solves.

We are committed to developing a long-term solution to this intractable problem. Taxpayers should not settle for a patch-work response such as this.”

Rep. Jelinek, having reserved the right to explain his nay vote, made the following statement:

“Mr. Speaker and members of the House:

I voted no on the Gilmer amendment number 4, to SB272 because I believe this matter should be considered and passed through the House tax committee.”

Rep. Scranton, having reserved the right to explain her nay vote, made the following statement:

“Mr. Speaker and members of the House:

This is a discrepancy between the wholesaler & Dept. of Treasury. When Prop A was passed, in the wee hrs. of the a.m., “they” didn’t include stamping on the packs. Now no one can agree how they shld be stamped & who pays. The cigarette companies got an increase in \$ at the time but didn’t have to stamp. They shld be stamping now—at their cost.”

Rep. Callahan, having reserved the right to explain his nay vote, made the following statement:

“Mr. Speaker and members of the House:

I voted against the Gilmer / Agee amendment #4 on Senate Bill 272 (H-1) to amend and create a \$1,200,000.00/xx expenditure to implement the Tobacco Stamp project because:

- > I **do not** believe the Governor has the authority to push this forward without statutory backing.
- > I **do** believe the treasury has the authority, AND also has the money without a 1.2 M add-on for the remaining two months of the current year.”

Rep. Gagliardi moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed, a majority of the members voting therefor.

Rep. Gagliardi moved that the bill be placed on its immediate passage.

The motion prevailed, a majority of the members serving voting therefor.

Rep. Gagliardi moved that Rule 49 be suspended.

The motion prevailed, 3/5 of the members present voting therefor.

By unanimous consent the House returned to the order of

Third Reading of Bills

Senate Bill No. 272, entitled

A bill to make and supplement appropriations for various state departments and agencies for the fiscal year ending September 30, 1997 and for the fiscal year ending September 30, 1996; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 745

Yeas—68

Agee	DeHart	Kelly	Prusi
Alley	Dobronski	Kilpatrick	Quarles
Anthony	Frank	Kukuk	Rhead
Baade	Freeman	LaForge	Rison
Baird	Gagliardi	Leland	Rocca
Basham	Gilmer	London	Schauer
Bodem	Griffin	Mans	Schermesser
Bogardus	Gubow	Martinez	Schroer
Brackenridge	Hale	Mathieu	Scott
Brater	Hammerstrom	McBryde	Sikkema

Brown	Hanley	McNutt	Stallworth
Byl	Harder	Middleton	Tesanovich
Callahan	Hertel	Olshove	Thomas
Cherry	Hood	Owen	Varga
Ciaramitaro	Jelinek	Palamara	Vaughn
Crissman	Jellema	Price	Wallace
Curtis	Johnson	Profit	Wojno

Nays—30

Banks	Fitzgerald	Jansen	Nye
Birkholz	Galloway	Jaye	Perricone
Brewer	Gernaat	Kaza	Rackowski
Cassis	Godchaux	Law	Richner
Cropsey	Goschka	Lowe	Voorhees
Dalman	Green	McManus	Whyman
DeVuyst	Gustafson	Middaugh	Willard
Dobb	Horton		

In The Chair: DeHart

The House agreed to the title of the bill.

Rep. Gagliardi moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Kaza, having reserved the right to explain his protest against the passage of the bill, made the following statement:

“Mr. Speaker and members of the House:

The same special interests who have been arm-twisting and lobbying this week for a gas tax increase refuse to accept any cuts in corporate welfare spending. It is unjust to raise the gas tax on the middle class at a time when corporate welfare spending exceeds \$600 million—nearly eight percent of state discretionary spending.

Cut corporate welfare spending, and earmark the savings and cost containment for road maintenance and infrastructure development.

I vote “no” because earlier today the House refused to cut corporate welfare spending by \$50 million by earmarking these funds for roads.”

Rep. Birkholz, having reserved the right to explain her protest against the passage of the bill, made the following statement:

“Mr. Speaker and members of the House:

I voted no on SB272 because my amendment to assist Allegan County with the recent disaster was not recognized and the bill contained several pieces of pork with which I disagreed.”

Rep. Goschka, having reserved the right to explain his protest against the passage of the bill, made the following statement:

“Mr. Speaker and members of the House:

I voted “No” on Senate Bill 272 because there are several needless and unwarranted expenditures in the bill, including a whopping \$500,000 for each political party to draw maps for redistricting purposes at taxpayer expense. As usual, the legislature feathered its own nest in this bill at taxpayer expense, but did virtually nothing for the taxpayers themselves.

Although I was successful in adding an amendment to keep inmates in our prison system from receiving food stamps, the bill is far outweighed with inappropriate expenditures that the public can ill afford and do better without.

Mr. Speaker and members, SB 272 is more of the “same old, same old,” and the people of Michigan deserve better. Therefore, I cannot support this bill.”

Rep. Dalman, having reserved the right to explain her protest against the passage of the bill, made the following statement:

“Mr. Speaker and members of the House:

Besides the fact this supplemental bill is full of pork, I voted against this bill because the Speaker would not recognize or allow our amendment to have a hearing on the House floor. Allegan and Ottawa counties were declared a disaster by the State and Federal government because of the June 1997 storms. The funding, \$10 million, was in this supplemental bill for the declared disasters in southeastern Michigan as a result of the recent storms, and fairness would dictate that at least our amendment could be presented to the House and voted on. It was not allowed so I could not vote for the bill because of the procedural unfairness.”

Rep. Kelly asked and obtained a temporary excuse from today's session.

Rep. Gagliardi moved that House Committees be given leave to meet during the balance of today's session. The motion prevailed.

Recess

Rep. Gagliardi moved that the House take a recess until 8:00 p.m.

The motion prevailed, the time being 3:30 p.m.

Acting Speaker DeHart announced that the House would take a recess until 8:00 p.m.

By unanimous consent the House returned to the order of

Motions and Resolutions

Rep. Johnson offered the following resolution:

House Resolution No. 132.

A resolution to memorialize the Congress and the President of the United States to strengthen the proposed settlement with tobacco companies to ensure compliance and stricter protection of public health.

Whereas, The recently announced proposed settlement with the tobacco industry includes numerous provisions that are inadequate. In its current form, the settlement provides insufficient enforcement powers for the federal government and too many uncertainties if the industry fails to meet specified reductions in smoking among young people; and

Whereas, As announced, the settlement, which has been described by former Surgeon General Dr. C. Everett Koop as “deeply flawed,” is too lenient on the tobacco industry in several areas. The proposed penalties if there is not enough of a smoking reduction in teens are far too weak. In addition, the bans on advertising would likely be unenforceable and the proposal does not address how the settlement money would be divided among the states, insurers, and other third parties to the lawsuit; and

Whereas, Another part of the settlement that is troubling to many is the provision allowing the companies to deduct from federal taxes the \$368.5 billion costs. This would mean, in effect, that the American people will be subsidizing significant portions of the costs; and

Whereas, Considerable changes need to be made to the proposal before this settlement is fair and acceptable to the citizens of our country; now, therefore, be it

Resolved by the House of Representatives, That we memorialize the Congress and the President of the United States to strengthen the proposed settlement with tobacco companies to ensure compliance and stricter protection of public health; and be it further

Resolved, That copies of this resolution be transmitted to the Office of the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

The resolution was referred to the Committee on Health Policy.

Rep. Martinez offered the following concurrent resolution:

House Concurrent Resolution No. 55.

A concurrent resolution to urge the President and the Congress of the United States to expedite the naturalization of Hmong and Lao veterans who fought alongside the United States troops in Southeast Asia.

Whereas, Many Hmong and Lao units fought for and with United States Armed Forces during the Vietnam war. More than 35,000 of them were killed, along with countless numbers who were wounded while fighting with their American allies; and

Whereas, They were told by representatives of our government that the United States would not abandon them nor forsake their care and well-being if the Americans left Southeast Asia; and

Whereas, Many of those Hmong and Lao soldiers and their families have been accepted into our country as legal immigrants; and

Whereas, While fighting for the United States, many of these veterans, as young soldiers, had little or no time for education in their homeland, and therefore had great difficulty learning American customs and the level of English needed to qualify for U.S. citizenship; and

Whereas, Through the Hmong and Lao Veterans of America, Inc., these veterans were honored at the national level for the first time in Washington, D.C., by members of Congress and U.S. officials at the Vietnam Memorial and Arlington National Cemetery; and

Whereas, These legal immigrant veterans are now in danger of losing supplemental security income, food stamps, and all federal means-tested benefits; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Michigan Legislature hereby respectfully urges the President and the Congress of the United States to expedite the naturalization of Hmong and Lao veterans who fought alongside United States troops in Southeast Asia and subsequently moved to this country with their families; and, be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

The concurrent resolution was referred to the Committee on House Oversight and Ethics.

Rep. Johnson offered the following concurrent resolution:

House Concurrent Resolution No. 56.

A concurrent resolution to memorialize the Congress and the President of the United States to strengthen the proposed settlement with tobacco companies to ensure compliance and stricter protection of public health.

Whereas, The recently announced proposed settlement with the tobacco industry includes numerous provisions that are inadequate. In its current form, the settlement provides insufficient enforcement powers for the federal government and too many uncertainties if the industry fails to meet specified reductions in smoking among young people; and

Whereas, As announced, the settlement, which has been described by former Surgeon General Dr. C. Everett Koop as “deeply flawed,” is too lenient on the tobacco industry in several areas. The proposed penalties if there is not enough of a smoking reduction in teens are far too weak. In addition, the bans on advertising would likely be unenforceable and the proposal does not address how the settlement money would be divided among the states, insurers, and other third parties to the lawsuit; and

Whereas, Another part of the settlement that is troubling to many is the provision allowing the companies to deduct from federal taxes the \$368.5 billion costs. This would mean, in effect, that the American people will be subsidizing significant portions of the costs; and

Whereas, Considerable changes need to be made to the proposal before this settlement is fair and acceptable to the citizens of our country; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That we memorialize the Congress and the President of the United States to strengthen the proposed settlement with tobacco companies to ensure compliance and stricter protection of public health; and be it further

Resolved, That copies of this resolution be transmitted to the Office of the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

The concurrent resolution was referred to the Committee on Health Policy.

Notices

Cancellation of
Public Hearing

Committee on Public Utilities

Date: Tuesday, July 8, 1997

Time: 7:00 p.m.

Place: Roosevelt Park City Hall, Council Chambers, 900 Oakridge Road, Roosevelt Park, Michigan
Rep. Olshove, Chair

Agenda: Public testimony on electric deregulation
and any/or all business properly before this committee

Announcement by the Clerk of Printing and Enrollment

The Clerk announced that the following bills had been printed and placed upon the files of the members, Wednesday, July 9:

House Bill Nos. 5004 5005 5006 5007 5008 5009 5010 5011 5012

Introduction of Bills

Rep. McManus introduced

House Bill No. 5026, entitled

A bill to amend 1975 PA 238, entitled "Child protection law," (MCL 722.621 to 722.636) by adding section 9a. The bill was read a first time by its title and referred to the Committee on Human Services and Children.

Rep. McManus introduced

House Bill No. 5027, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 522 (MCL 206.522), as amended by 1996 PA 484.

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Rep. McManus introduced

House Bill No. 5028, entitled

A bill to amend 1939 PA 280, entitled "The social welfare act," by amending section 57a (MCL 400.57a), as added by 1995 PA 223.

The bill was read a first time by its title and referred to the Committee on Human Services and Children.

Rep. Bobier introduced

House Bill No. 5029, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 55a, 57, 60, 61, 66, 67, 67a, 68, 70, 70b, 71, 72, 73c, 74, 84, 108, 131, 131c, and 131e (MCL 211.55a, 211.57, 211.60, 211.61, 211.66, 211.67, 211.67a, 211.68, 211.70, 211.70b, 211.71, 211.72, 211.73c, 211.74, 211.84, 211.108, 211.131, 211.131c, and 211.131e), sections 55a and 70b as added and sections 57, 60, 61, 73c, 74, 108, 131, and 131c as amended by 1993 PA 291, section 67a as amended by 1984 PA 103, section 72 as amended by 1993 PA 202, section 84 as amended by 1981 PA 162, and section 131e as amended by 1996 PA 476, and by adding section 131f.

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Rep. Agee introduced

House Bill No. 5030, entitled

A bill to amend 1927 PA 150, entitled "An act to prescribe a privilege tax for the use of the public highways by owners and drivers of motor vehicles by imposing a specific tax upon the sale or use, within the state of Michigan, of motor fuel; to prescribe the manner and the time of paying this tax and the duties of officials and others respecting the payment and collection of this tax; to provide for the licensing of wholesale distributors, certain retail dealers, exporters, and suppliers as defined in this act; to fix a time when this tax and interest and penalties thereon become a lien upon the property of persons, firms, partnerships, associations, or corporations, subject to the payment of this tax; to provide for the enforcement of this lien; to permit the inspection and testing of petroleum products; to provide for certain exemptions and refunds and for the disposition of the proceeds of this tax; and to prescribe penalties for the violation of this act," by amending the title and sections 2 and 22 (MCL 207.102 and 207.122), section 2 as amended by 1992 PA 225 and section 22 as amended by 1995 PA 52, and by adding chapter 7; and to repeal acts and parts of acts.

The bill was read a first time by its title and referred to the Committee on Transportation.

Rep. Agee introduced

House Bill No. 5031, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.532) by adding section 266. The bill was read a first time by its title and referred to the Committee on Tax Policy.

Rep. Brewer introduced

House Bill No. 5032, entitled

A bill to amend 1984 PA 431, entitled "The management and budget act," (MCL 18.1101 to 18.1594) by adding section 262a.

The bill was read a first time by its title and referred to the Committee on House Oversight and Ethics.

Reps. Schermesser and DeHart introduced

House Bill No. 5033, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," (MCL 500.100 to 500.8302) by adding section 2202.

The bill was read a first time by its title and referred to the Committee on Insurance.

Reps. Profit and Palamara introduced

House Bill No. 5034, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 51 (MCL 206.51), as amended by 1995 PA 194.

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Reps. Rocca and Perricone introduced

House Bill No. 5035, entitled

A bill to amend 1851 PA 156, entitled "An act to define the powers and duties of the county boards of commissioners of the several counties, and to confer upon them certain local, administrative and legislative powers; and to prescribe penalties for the violation of the provisions of this act," by amending section 12a (MCL 46.12a), as amended by 1996 PA 390.

The bill was read a first time by its title and referred to the Committee on Public Retirement.

Reps. DeVuyst, Jelinek, Voorhees, Kaza, Gernaat, Goschka, McBryde, Kukuk, Mans, Richner and Llewellyn introduced

House Bill No. 5036, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 7410 (MCL 333.7410), as amended by 1994 PA 174.

The bill was read a first time by its title and referred to the Committee on Judiciary.

Reps. Kukuk, McBryde, Goschka, Green, Rocca, Hammerstrom, Profit, Raczkowski and Voorhees introduced

House Bill No. 5037, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 74117 (MCL 324.74117), as added by 1995 PA 58.

The bill was read a first time by its title and referred to the Committee on Conservation, Environment and Recreation.

Reps. Palamara, Varga, Price, Profit, Wallace, Anthony, Olshove, Dobronski, Curtis, Baird, Cherry, Brown, DeHart, Prusi, Agee, Hanley, LaForge, Schermesser, Hammerstrom, Ciaramitaro, Rocca, Brater, Schauer, Martinez, Kukuk, Vaughn, Scott, Leland, Crissman, Birkholz, Gagliardi, Cassis, Stallworth, Owen, Goschka, Law, Baade, Mathieu, Freeman, Griffin, Frank, Quarles, Bogardus, Rison, Kelly, Harder, Thomas, Tesanovich, Hale, Hood, Callahan, Gubow, Voorhees, McNutt, Perricone, Brewer, London, Mans, Banks, Richner, Emerson, Basham, Scranton, Jaye, Brackenridge and Raczkowski introduced

House Joint Resolution Z, entitled

A joint resolution proposing an amendment to the state constitution of 1963, by adding section 37 to article IX, to provide for revenue sharing distributions to counties, cities, villages, and townships.

The joint resolution was read a first time by its title and referred to the Committee on Appropriations.

After Recess

8:00 p.m.

The House was called to order by the Speaker.

Rep. Gagliardi questioned the presence of a quorum and moved that the roll be called and printed in the Journal.

The motion prevailed.

The roll was called and the Clerk announced that a quorum was present.

The following is the roll call:

Roll Call No. 746

Yeas—97

Agee	Frank	Johnson	Price
Anthony	Freeman	Kaza	Profit
Baade	Gagliardi	Kelly	Prusi
Baird	Galloway	Kilpatrick	Quarles
Basham	Geiger	Kukuk	Rackowski
Birkholz	Gernaat	LaForge	Rhead
Bobier	Gilmer	Law	Richner
Bodem	Godchaux	Leland	Rison
Bogardus	Goschka	Llewellyn	Rocca
Brackenridge	Green	London	Schauer
Brater	Griffin	Lowe	Schermesser
Brewer	Gubow	Mans	Schroer
Brown	Gustafson	Martinez	Scott
Byl	Hale	Mathieu	Scranton
Callahan	Hammerstrom	McBryde	Sikkema
Cassis	Hanley	McManus	Stallworth
Cherry	Harder	Middaugh	Tesanovich
Ciaramitaro	Hertel	Middleton	Thomas
Crissman	Hood	Nye	Varga
Cropsey	Horton	Olshove	Vaughn
Curtis	Jansen	Owen	Voorhees
Dalman	Jaye	Oxender	Wallace
DeHart	Jelinek	Palamara	Whyman
DeVuyst	Jellema	Perricone	Wojno
Dobronski			

In The Chair: Hertel

Rep. London moved that Reps. Jaye and Bankes be excused temporarily from today's session.
The motion prevailed.

Rep. Gustafson moved that Rep. Fitzgerald be excused temporarily from today's session.
The motion prevailed.

By unanimous consent the House returned to the order of

Reports of Select Committees

Senate Bill No. 171, entitled

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 1998; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

(The conference report was reported by the conference committee, rules suspended for immediate consideration and postponed temporarily on July 8, see House Journal 65, p. 1759.)

The question being on the adoption of the conference report,

The conference report was adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 747**Yeas—99**

Agee	Dobb	Jellema	Profit
Alley	Dobronski	Johnson	Prusi
Anthony	Emerson	Kaza	Quarles
Baade	Frank	Kelly	Raczkowski
Baird	Freeman	Kilpatrick	Rhead
Basham	Gagliardi	Kukuk	Richner
Birkholz	Galloway	Law	Rison
Bobier	Geiger	Leland	Rocca
Bodem	Gernaat	London	Schauer
Bogardus	Gilmer	Lowe	Schermesser
Brackenridge	Godchaux	Mans	Schroer
Brater	Goschka	Martinez	Scott
Brewer	Green	Mathieu	Scranton
Brown	Griffin	McBryde	Sikkema
Byl	Gubow	McManus	Stallworth
Callahan	Gustafson	McNutt	Tesanovich
Cassis	Hale	Middaugh	Thomas
Cherry	Hammerstrom	Middleton	Varga
Ciaramitaro	Hanley	Nye	Vaughn
Crissman	Harder	Olshove	Voorhees
Cropsey	Hertel	Owen	Wallace
Curtis	Hood	Oxender	Wetters
Dalman	Horton	Palamara	Whyman
DeHart	Jansen	Perricone	Wojno
DeVuyst	Jelinek	Price	

Nays—1

LaForge

In The Chair: Hertel

Rep. Gagliardi moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Bankes, under Rule 33, made the following statement:
“Mr. Speaker and members of the House:
I was absent from the Chamber when the vote was taken on Roll Call No. 747.
Had I been present, I would have voted ‘yea’.”

Rep. Gagliardi moved that when the House adjourns today it stand adjourned until Thursday, July 10, at 10:00 a.m.
The motion prevailed.

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning
House Bill No. 4310, entitled

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending sections 6, 6a, 11, 17b, 20, 20d, 20i, 24, 26, 31a, 36, 39, 41, 51a, 52, 53a, 54, 56, 57, 58, 61a, 62, 74, 81, 94, 95, 99, 101, 104a, 107, 108, 111, 147, 151, 167, and 169a (MCL 388.1606, 388.1606a, 388.1611, 388.1617b, 388.1620, 388.1620d, 388.1620i,

388.1624, 388.1626, 388.1631a, 388.1636, 388.1639, 388.1641, 388.1651a, 388.1652, 388.1653a, 388.1654, 388.1656, 388.1657, 388.1658, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694, 388.1695, 388.1699, 388.1701, 388.1704a, 388.1707, 388.1708, 388.1711, 388.1747, 388.1751, 388.1767, and 388.1769a), sections 6, 11, 17b, 20, 20d, 24, 31a, 36, 39, 41, 52, 54, 56, 57, 58, 61a, 62, 74, 81, 94, 99, 101, 104a, 111, 147, and 167 as amended and sections 20i, 51a, 53a, 107, 108, and 169a as added by 1996 PA 300, sections 6a, 95, and 151 as amended by 1995 PA 130, and section 26 as amended by 1994 PA 283, and by adding sections 26a, 31b, 67, 68, 94a, 105a, 166d, and 166e; and to repeal acts and parts of acts.

Recommends:

First: That the Senate recede from the Substitute of the Senate as passed by the Senate.

Second: That the House and Senate agree to the Substitute of the House as passed by the House, amended to read as follows:

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 6, 6a, 11, 17b, 20, 20c, 20d, 23, 24, 25, 26, 31a, 36, 39, 41, 51a, 52, 53a, 54, 56, 57, 58, 61a, 62, 74, 81, 94, 99, 101, 107, 111, 124, 147, 151, 167, and 169a (MCL 388.1603, 388.1606, 388.1606a, 388.1611, 388.1617b, 388.1620, 388.1620c, 388.1620d, 388.1623, 388.1624, 333.1625, 388.1626, 388.1631a, 388.1636, 388.1639, 388.1641, 388.1651a, 388.1652, 388.1653a, 388.1654, 388.1656, 388.1657, 388.1658, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694, 388.1699, 388.1701, 388.1707, 388.1711, 388.1724, 388.1747, 388.1751, 388.1767, and 388.1769a), sections 3, 6, 17b, 20c, 20d, 23, 24, 36, 39, 41, 52, 54, 56, 57, 58, 61a, 62, 74, 81, 94, 101, 111, 147, and 167 as amended and sections 25, 51a, 53a, and 169a as added by 1996 PA 300, sections 6a, 124, and 151 as amended by 1995 PA 130, sections 11, 20, 31a, 99, and 107 as amended by 1997 PA 24, and section 26 as amended by 1994 PA 283, and by adding sections 20k, 26a, 31b, 31c, 67, 68, 112, 166d, and 166e; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 3. (1) "Average daily attendance", for the purposes of complying with federal law, means 92% of the membership as defined in section 6(4).

(2) "Board" means the governing body of a district or public school academy.

(3) "Cooperative education program" means a written voluntary agreement between and among districts to provide certain educational programs for pupils in certain groups of districts. The written agreement shall be approved by all affected districts at least annually and shall specify the educational programs to be provided and the estimated number of pupils from each district who will participate in the educational programs.

(4) "Department" means the department of education.

(5) "District" means a local school district established under the revised school code, a local act school district, or, except in sections 6(4), 6(6), 13, 20, ~~20i~~, 23, 31a, and 105, a public school academy. Except in sections 6(4), 6(6), 13, 20, and 105, district also includes a university school.

(6) "District of residence", except as otherwise provided in this subsection, means the district in which a pupil's custodial parent or parents or legal guardian resides. For a pupil described in section 24b, the pupil's district of residence is the district in which the pupil enrolls under that section. For a pupil described in section 6(4)(d), the pupil's district of residence shall be considered to be the district or intermediate district in which the pupil is counted in membership under that section. For a pupil under court jurisdiction who is placed outside the district in which the pupil's custodial parent or parents or legal guardian resides, the pupil's district of residence shall be considered to be the educating district or educating intermediate district.

(7) "District superintendent" means the superintendent of a district, the chief administrator of a public school academy, or the chief administrator of a university school.

Sec. 6. (1) "Center program" means a program operated by a district or intermediate district for special education pupils from several districts in programs for the autistically impaired, trainable mentally impaired, severely mentally impaired, severely multiply impaired, hearing impaired, physically and otherwise health impaired, and visually impaired. Programs for emotionally impaired pupils housed in buildings that do not serve regular education pupils ~~shall~~ also qualify. Unless otherwise approved by the department, a center program either shall serve all constituent districts within an intermediate district or shall serve several districts with less than 50% of the pupils residing in the operating district. In addition, special education center program pupils placed part-time in noncenter programs to comply with the least restrictive environment provisions of section 612 of part B of the individuals with disabilities education act, title VI of Public Law 91-230, 20 U.S.C. 1412, may be considered center program pupils for pupil accounting purposes for the time scheduled in either a center program or a noncenter program.

(2) "District pupil retention rate" means the proportion of pupils who have not dropped out of school in the immediately preceding school year and is equal to 1 minus the quotient of the number of pupils unaccounted for in the immediately preceding school year, as determined pursuant to subsection (3), divided by the pupils of the immediately preceding school year.

(3) "District pupil retention report" means a report of the number of pupils, excluding migrant and adult, in the district for the immediately preceding school year, adjusted for those pupils who have transferred into the district, transferred out of the district, transferred to alternative programs, and have graduated, to determine the number of

pupils who are unaccounted for. The number of pupils unaccounted for shall be calculated as determined by the department.

(4) "Membership", except as otherwise provided in this act, means for ~~1996-97 the average number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance in a district, public school academy, university school, or intermediate district on the pupil membership count day for the current school year and on A~~ DISTRICT, PUBLIC SCHOOL ACADEMY, UNIVERSITY SCHOOL, OR INTERMEDIATE DISTRICT THE SUM OF THE PRODUCT OF .6 TIMES THE NUMBER OF FULL-TIME EQUATED PUPILS IN GRADES K TO 12 ACTUALLY ENROLLED AND IN REGULAR DAILY ATTENDANCE ON THE PUPIL MEMBERSHIP COUNT DAY FOR THE CURRENT SCHOOL YEAR, PLUS THE PRODUCT OF .4 TIMES THE FINAL AUDITED COUNT FROM the supplemental count day for the immediately preceding school year, as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the state board, and as corrected by a subsequent department audit. ~~, plus the final audited count from the supplemental count day for the immediately preceding school year, and dividing that sum by 2.~~ The amount of the foundation allowance to be paid on behalf of a pupil in membership is determined under section 20. In making the calculation of membership, all of the following, as applicable, apply to determining the membership of a district, public school academy, university school, or intermediate district:

(a) Except as otherwise provided in this subsection, a pupil shall be counted in membership in the pupil's educating district or districts. An individual pupil shall not be counted for more than a total of 1.0 full-time equated membership.

(b) If a pupil is educated in a district other than the pupil's district of residence and the educating district is not in the same intermediate district as the pupil's district of residence, if the pupil is not being educated as part of a cooperative education program, if the pupil's district of residence does not give the educating district its approval to count the pupil in membership in the educating district, and if the pupil is not covered by an exception specified in subsection (6) to the requirement that the educating district must have the approval of the pupil's district of residence to count the pupil in membership, the pupil shall not be counted in membership in any district.

(c) A special education pupil educated by the intermediate district shall be counted in membership in the intermediate district. ~~A special education pupil who is educated in a center program operated by a district and who is not required to be counted in membership in an intermediate district shall be counted in membership in the educating district.~~

(d) A pupil placed by a court or state agency in an on-grounds program of a juvenile detention facility, a child caring institution, or a mental health institution, or a pupil funded under section ~~53 or~~ 53a, shall be counted in membership in the district or intermediate district approved by the department to operate the program.

(e) A pupil enrolled in the Michigan ~~school~~ SCHOOLS for the deaf and blind shall be counted in membership in the pupil's intermediate district of residence.

(f) A pupil enrolled in a vocational education program supported by a millage levied over an area larger than a single district or in an area vocational-technical education program established pursuant to section 690 of the revised school code, ~~being section 380.690 of the Michigan Compiled Laws~~ MCL 380.690, shall be counted only in the pupil's district of residence.

(g) A pupil enrolled in a university school shall be counted in membership in the university school.

(h) A pupil enrolled in a public school academy shall be counted in membership in the public school academy.

(i) For a new district, university school, or public school academy beginning its operation after December 31, 1994, membership for the first 2 full or partial fiscal years of operation shall be determined as follows:

(i) If operations begin before the pupil membership count day for the fiscal year, membership is the average number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year and on the supplemental count day for the current school year, as determined by the department and calculated by adding the number of pupils registered for attendance on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the state board, and as corrected by a subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(ii) If operations begin after the pupil membership count day for the fiscal year and not later than the supplemental count day for the fiscal year, membership is the final audited count of the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the supplemental count day for the current school year.

(j) If a district is the authorizing body for a public school academy, then, in the first school year in which pupils are counted in membership on the pupil membership count day in the public school academy, the determination of the district's membership shall exclude from the district's pupil count for the immediately preceding supplemental count day any pupils who are counted in the public school academy on that first pupil membership count day who were also counted in the district on the immediately preceding supplemental count day.

(k) In a district, public school academy, university school, or intermediate district operating an extended school year program approved by the state board, a pupil enrolled, but not scheduled to be in regular daily attendance on a pupil membership count day, shall be counted.

(l) Pupils to be counted in membership shall be not less than 5 years of age on December 1 and less than 20 years of age on September 1 of the school year except a special education pupil who is enrolled and receiving instruction in a special education program approved by the department and not having a high school diploma who is less than 26 years of age as of September 1 of the current school year shall be counted in membership.

(m) An individual who has obtained a high school diploma shall not be counted in membership. An individual who has obtained a general education development (G.E.D.) certificate shall not be counted in membership. An individual participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, both administered by the Michigan jobs commission, or participating in any successor of either of those 2 programs, shall not be counted in membership.

(n) If a pupil counted in membership in a public school academy is also educated by a district or intermediate district as part of a cooperative education program, the pupil shall be counted in membership only in the public school academy, and the instructional time scheduled for the pupil in the district or intermediate district shall be included in the full-time equated membership determination under subdivision (q). However, for pupils receiving instruction in both a public school academy and in a district or intermediate district but not as a part of a cooperative education program, the following apply:

(i) If the public school academy provides instruction for at least 1/2 of the class hours specified in subdivision (q), the public school academy shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the public school academy provides divided by the number of hours specified in subdivision (q) for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the district or intermediate district providing the remainder of the hours of instruction.

(ii) If the public school academy provides instruction for less than 1/2 of the class hours specified in subdivision (q), the district or intermediate district providing the remainder of the hours of instruction shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the district or intermediate district provides divided by the number of hours specified in subdivision (q) for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the public school academy.

(o) An individual less than 16 years of age as of September 1 of the current school year who is being educated in an alternative education program shall not be counted in membership if there are also adult education participants being educated in the same program or classroom.

(p) The department shall give a uniform interpretation of full-time and part-time memberships.

(q) ~~For the purposes of this subsection, full time equated memberships for pupils in grades 1 to 12 shall be determined by dividing the number of class hours scheduled and provided per year per pupil by 900 for 1994-95, and by 990 for 1995-96 and 1996-97. For succeeding fiscal years, the~~ THE number of class hours used to calculate full-time equated memberships shall be consistent with section 1284 of the revised school code, ~~being section 380.1284 of the Michigan Compiled Laws~~ MCL 380.1284. In determining full-time equated memberships for pupils who are enrolled in a postsecondary institution under the postsecondary enrollment options act, ~~Act No. 160 of the Public Acts of 1996, being sections 388.511 to 388.524 of the Michigan Compiled Laws~~ 1996 PA 160, MCL 388.511 TO 388.524, a pupil shall not be considered to be less than a full-time equated pupil solely because of the effect of his or her postsecondary enrollment, including necessary travel time, on the number of class hours provided by the district to the pupil.

(r) Full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to 1/2 the number used for determining full-time equated memberships for pupils in grades 1 to 12.

(s) For a district that has qualified currently migrant pupils enrolled in the district as of the pupil membership count day who were not counted in membership in the district on the supplemental count day for the immediately preceding school year, as determined by the department using the criteria used for eligibility for the migrant education program under the ~~Hawkins-Stafford elementary and secondary school improvement amendments of 1988, Public Law 100-297, 102 Stat. 130~~ IMPROVING AMERICA'S SCHOOLS ACT OF 1994, PUBLIC LAW 103-382, 108 STAT. 3518, the number of those pupils counted in the district's membership is 3/4 of the number of those pupils counted on the pupil membership count day only.

(t) For a district, university school, or public school academy that has pupils enrolled in a grade level that was not offered by the district, university school, or public school academy in the immediately preceding school year, the number of pupils enrolled in that grade level to be counted in membership is the average of the number of those pupils enrolled and in regular daily attendance on the pupil membership count day and the supplemental count day of the current school year, as determined by the department. Membership shall be calculated by adding the number of pupils registered for attendance in that grade level on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the state board, and as corrected by subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

~~(v) For purposes of calculating membership for 1996-97 only, the department shall use for the February 1996 supplemental count the definition of membership under this subsection that is in effect on the 1996-97 pupil membership count day.~~

~~(y) For 1996-97 only, if a district has individuals at least age 16 as of December 1 and less than age 20 as of September 1 of the school year who are enrolled in the district in a department approved alternative education program and who were enrolled in an alternative education program operated through adult education in 1995-96 and therefore not counted in membership in a district on the 1996 supplemental count day, the number of those individuals counted in the district's membership is the number of those individuals counted as pupils on the district's 1996 pupil membership count day only.~~

(U) ~~(z)~~ A pupil enrolled in a cooperative education program may be counted in membership in the pupil's district of residence with the written approval of all parties to the cooperative agreement.

(V) ~~(aa)~~ If, as a result of a disciplinary action, a district determines through the district's alternative education program that the best instructional placement for a pupil is in the pupil's home, if that placement is authorized in writing by the district superintendent and district alternative education supervisor, and if the district provides appropriate instruction as described in this subdivision to the pupil at the pupil's home, the district may count the pupil in membership on a pro rata basis, with the proration based on the number of hours of instruction the district actually provides to the pupil divided by the number of hours specified in subdivision (q) for full-time equivalency. For the purposes of this subdivision, a district shall be considered to be providing appropriate instruction if all of the following are met:

(i) The district provides at least 2 nonconsecutive hours of instruction per week to the pupil at the pupil's home under the supervision of a certificated teacher.

(ii) The district provides instructional materials, resources, and supplies, except computers, that are comparable to those otherwise provided in the district's alternative education program.

(iii) Course content is comparable to that in the district's alternative education program.

(iv) Credit earned is awarded to the pupil and placed on the pupil's transcript.

(W) ~~(bb)~~ A pupil enrolled in an alternative education program described in section 25 shall be counted in membership in the district or public school academy that expelled the pupil.

(X) IF A DISTRICT IS LOCATED WHOLLY ON AN ISLAND AND HAS LESS THAN 5.00 FULL-TIME EQUATED PUPILS IN MEMBERSHIP, THE DISTRICT'S MEMBERSHIP SHALL BE CONSIDERED TO BE 5.00 FULL-TIME EQUATED PUPILS.

(Y) IF A DISTRICT IS LOCATED WHOLLY ON AN ISLAND AND THE DISTRICT'S MEMBERSHIP FOR 1996-97 WAS AT LEAST 80 BUT LESS THAN 100 FULL-TIME EQUATED PUPILS, THE DISTRICT'S MEMBERSHIP FOR 1997-98 SHALL BE CONSIDERED TO BE 90 FULL-TIME EQUATED PUPILS OR THE DISTRICT'S ACTUAL 1997-98 MEMBERSHIP, WHICHEVER IS GREATER.

(5) "Public school academy" means a public school academy operating under part 6a or 6b of the revised school code, ~~being sections 380.501 to 380.507 and 380.511 to 380.518 of the Michigan Compiled Laws~~ MCL 380.501 TO 380.507 AND 380.511 TO 380.518.

(6) "Pupil" means a person in membership in a public school. A district must have the approval of the pupil's district of residence to count the pupil in membership, except approval by the pupil's district of residence shall not be required for nonpublic part-time pupils, for pupils receiving 1/2 or less of their instruction in a district other than their district of residence, for pupils enrolled in a public school academy or university school, for pupils enrolled in a district other than their district of residence under an intermediate district schools of choice pilot program as described in section 91a or former section 91 if the intermediate district and its constituent districts have been exempted from section 105, ~~or~~ for pupils enrolled in a district other than their district of residence but within the same intermediate district if the educating district enrolls nonresident pupils in accordance with section 105, OR FOR PUPILS ENROLLED IN A DISTRICT OTHER THAN THEIR DISTRICT OF RESIDENCE IF THE PUPILS HAVE BEEN CONTINUOUSLY ENROLLED IN THE EDUCATING DISTRICT SINCE A SCHOOL YEAR IN WHICH THE PUPILS ENROLLED IN THE EDUCATING DISTRICT UNDER SECTION 105 AND IN WHICH THE EDUCATING DISTRICT ENROLLED NONRESIDENT PUPILS IN ACCORDANCE WITH SECTION 105. IN ADDITION, IF A DISTRICT THAT IS NOT A FIRST CLASS DISTRICT EDUCATES PUPILS WHO RESIDE IN A FIRST CLASS DISTRICT AND IF THE PRIMARY INSTRUCTIONAL SITE FOR THOSE PUPILS IS LOCATED WITHIN THE BOUNDARIES OF THE FIRST CLASS DISTRICT, THE EDUCATING DISTRICT MUST HAVE THE APPROVAL OF THE FIRST CLASS DISTRICT TO COUNT THOSE PUPILS IN MEMBERSHIP. AS USED IN THIS SUBSECTION, "FIRST CLASS DISTRICT" MEANS A DISTRICT ORGANIZED AS A SCHOOL DISTRICT OF THE FIRST CLASS UNDER THE REVISED SCHOOL CODE.

(7) "Pupil membership count day" of a district or intermediate district means:

(a) Except as provided in subdivision (b), the fourth ~~Friday~~ WEDNESDAY in September each school year.

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

(i) Fourth ~~Friday~~ WEDNESDAY in July.

(ii) Fourth ~~Friday~~ WEDNESDAY in September.

(iii) Second ~~Friday~~ WEDNESDAY in February.

(iv) Fourth ~~Friday~~ WEDNESDAY in April.

(8) "Rule" means a rule promulgated pursuant to the administrative procedures act of 1969, ~~Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws~~ 1969 PA 306, MCL 24.201 TO 24.328.

(9) "The revised school code" means ~~Act No. 451 of the Public Acts of 1976, being sections 380.1 to 380.1852 of the Michigan Compiled Laws~~ 1976 PA 451, MCL 380.1 TO 380.1852.

(10) "School fiscal year" means a fiscal year ~~which~~ THAT commences July 1 and continues through June 30.

(11) "State board" means the state board of education.

(12) "Supplemental count day" means the day on which the supplemental pupil count is conducted under section 6a.

(13) "Tuition pupil" means a pupil of school age attending school in a district other than the pupil's district of residence for whom tuition may be charged. Tuition pupil does not include a pupil who is a special education pupil; a pupil enrolled in a district other than the pupil's district of residence but within the same intermediate district if the educating district enrolls nonresident pupils in accordance with section 105; A PUPIL ENROLLED IN A DISTRICT OTHER THAN THE PUPIL'S DISTRICT OF RESIDENCE IF THE PUPIL HAS BEEN CONTINUOUSLY ENROLLED IN THE EDUCATING DISTRICT SINCE A SCHOOL YEAR IN WHICH THE PUPIL ENROLLED IN THE EDUCATING DISTRICT UNDER SECTION 105 AND IN WHICH THE EDUCATING DISTRICT ENROLLED NONRESIDENT PUPILS IN ACCORDANCE WITH SECTION 105; or a pupil served by an intermediate district schools of choice pilot program as described in section 91a or former section 91 if the intermediate district and its constituent districts have been exempted from section 105. A pupil's district of residence shall not require a high school tuition pupil, as provided under section 111, to attend another school district after the pupil has been assigned to a school district.

(14) "State school aid fund" means the state school aid fund established in section 11 of article IX of the state constitution of 1963.

(15) "Taxable value" means the taxable value of property as determined under section 27a of the general property tax act, ~~Act No. 206 of the Public Acts of 1893, being section 211.27a of the Michigan Compiled Laws~~ 1893 PA 206, MCL 211.27A.

(16) "Total state aid" or "total state school aid" means the total combined amount of all funds due to a district, intermediate district, or other entity under all of the provisions of this act.

(17) "University school" means an instructional program operated by a public university under section 23 that meets the requirements of section 23.

Sec. 6a. Except as otherwise provided in this act, in addition to the pupil membership count day, there shall be a supplemental pupil count of the number of full-time equated pupils in grades K-12 actually enrolled and in regular daily attendance in a district or intermediate district on the second ~~Friday~~ WEDNESDAY in February or, for a district that is not in session on that day, the immediately preceding day on which the district is in session. For the purposes of this act, the day on which the supplemental pupil count is conducted is the supplemental count day.

Sec. 11. (1) There is appropriated for the public schools of this state and certain other state purposes relating to education from the state school aid fund established by section 11 of article IX of the state constitution of 1963 the sum of ~~\$8,233,547,000.00~~ \$8,770,000,000.00, and from the general fund the sum of ~~\$291,747,800.00~~ \$378,935,400.00, for the fiscal year ending September 30, 1997 1998. ~~Also, there is appropriated an additional \$33,000,000.00 from the state school aid fund for the fiscal year ending September 30, 1997. However, if the director of the department of management and budget determines that the federal government has failed to enact comprehensive reforms in the federal cash welfare and medicaid programs by October 1, 1996, and notifies the senate and house appropriations committees of that determination, there is instead appropriated for 1996 97 from the state school aid fund the sum of \$8,280,347,000.00, and from the general fund the sum of \$277,947,800.00. In addition, there is created in the state school aid fund a separate contingency fund in an amount equal to this \$13,800,000.00 adjustment and there is created in the general fund a separate contingency fund in an amount equal to this \$13,800,000.00 adjustment. Contingency fund transfers are authorized for 1996 97 in an amount necessary to reverse these adjustments. These transfers shall conform with the provisions of section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393. Transfers may restore all or part of each adjustment. In addition, available federal funds are appropriated for 1996 97 1997-98.~~

~~(2) From the general fund money appropriated in subsection (1) for the fiscal year ending September 30, 1997, there is appropriated from the general fund the sum of \$96,638,400.00 to the local government payment fund for the purpose of maintaining the state spending to local units of government as required by section 30 of article IX of the state constitution of 1963 for the fiscal year ending September 30, 1993. For the fiscal year ending September 30, 1997, there is appropriated from the local government payment fund the sum of \$96,638,400.00 to the general fund for transfer to the state school aid fund to support the purposes of this act for the 1996 97 fiscal year.~~

(2) ~~(3)~~ The appropriations under this section shall be allocated as provided in this act. Money appropriated under this section from the general fund, ~~from the reserve for health benefits,~~ and from available federal funds shall be

expended to fund the purposes of this act before the expenditure of money appropriated under this section from the state school aid fund. If the maximum amount appropriated under this section from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall remain in the state school aid fund.

(3) ~~(4)~~ If the maximum amount appropriated under this section from the state school aid fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under each section of this act shall be prorated on an equal percentage basis as necessary to reflect the amount available for expenditure from the state school aid fund for that fiscal year. However, ~~beginning in 1996-97~~, if the department of treasury determines that proration will be required under this subsection, the department of treasury shall notify the director of the department of management and budget, and the director of the department of management and budget shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this act because of the proration. During the 30 calendar day or 6 legislative session day period after that notification by the director of the department of management and budget, the department shall not reduce any payments under this act because of proration under this subsection. The legislature may prevent proration from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the department of management and budget, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to fund the amount of the projected shortfall.

Sec. 17b. (1) Not later than October 20, November 20, December 20, January 20, February 20, March 20, April 20, May 20, and June 20, the department shall prepare a statement of the amount to be distributed under this act in the installment to the districts and intermediate districts and deliver the statement to the state treasurer, and the state treasurer shall pay the installments on each of those dates or on the next business day following each of those dates. Except as otherwise provided in this act, the portion of the district's or intermediate district's state fiscal year entitlement to be included in each installment shall be 1/9. However, the payments due to a district in ~~1996-97~~ 1997-98 on April 20, May 20, and June 20 pursuant to this section each shall be reduced by an amount equal to 1/3 of the district's total additional payments in ~~1995-96~~ 1996-97 under section ~~20g~~ 20C.

(2) The state treasurer shall make payment under this section by drawing a warrant in favor of the treasurer of each district or intermediate district for the amount payable to the district or intermediate district according to the statement and delivering the warrant to the treasurer of each district or intermediate district, or if the state treasurer receives a written request by the treasurer of the district or intermediate district specifying an account, by electronic funds transfer to that account of the amount payable to the district or intermediate district according to the statement. The department may make adjustments in payments made under this section through additional payments when changes in law or errors in computation cause the regularly scheduled payment to be less than the amount to which the district or intermediate district is entitled pursuant to this act.

(3) Except as otherwise specified in this act, grant payments under this act shall be paid according to subsection (1).

(4) Upon the written request of a district or intermediate district and the submission of proof satisfactory to the department of a need of a temporary and nonrecurring nature, the superintendent, with the written concurrence of the state treasurer and the director of management and budget, may authorize an advance release of funds due a district or intermediate district under this act. Such an advance shall not cause funds to be paid to a district or intermediate district more than 30 days earlier than the established payment date for those funds.

Sec. 20. (1) For ~~1996-97~~ 1997-98, the basic foundation allowance is ~~\$5,308.00~~ \$5,462.00 per membership pupil.

(2) From the appropriation in section 11, there is allocated for ~~1996-97~~ 1997-98 an amount not to exceed ~~\$8,004,106,300.00~~ \$8,003,943,500.00 to guarantee each district a foundation allowance per membership pupil OTHER THAN SPECIAL EDUCATION PUPILS and to make payments under this section to public school academies and university schools FOR MEMBERSHIP PUPILS OTHER THAN SPECIAL EDUCATION PUPILS. The amount of each district's foundation allowance shall be calculated as provided in this section, using a basic foundation allowance for ~~1996-97~~ 1997-98 in the amount specified in subsection (1). If the maximum amount allocated under this section is not sufficient to fully fund payments under this section, and before any proration required under section 11, the amount of the payment to each district, university school, and public school academy shall be prorated by reducing by an equal percentage the total payment under this section to each district, university school, and public school academy. However, if the department determines that proration will be required under this section, the superintendent of public instruction shall notify the department of management and budget, and the department of management and budget shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this section because of the proration. During the 30 calendar day or 6 legislative session day period after that notification by the department of management and budget, the department shall not reduce any payments under this section because of proration. The legislature may prevent proration under this section from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the director, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic

stabilization fund, state school aid fund balance, or another source to ensure full foundation allowance funding for each district, university school, and public school academy.

(3) ~~Beginning in the 1995-96 state fiscal year, except~~ EXCEPT as otherwise provided in this section, the amount of a district's foundation allowance shall be calculated as follows, using in all calculations the total amount of the district's foundation allowance as calculated before any proration:

(a) For a district that in the immediately preceding state fiscal year had a foundation allowance at least equal to the sum of \$4,200.00 plus the total dollar amount of all adjustments made from 1994-95 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts, but less than the basic foundation allowance in the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance minus \$50.00) times (the difference between the district's foundation allowance for the immediately preceding state fiscal year and the sum of \$4,200.00 plus the total dollar amount of all adjustments made from 1994-95 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts) divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of \$4,200.00 plus the total dollar amount of all adjustments made from 1994-95 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts]. However, the foundation allowance for a district that had less than the basic foundation allowance in the immediately preceding state fiscal year shall not exceed the basic foundation allowance for the current state fiscal year.

(b) For a district that in the immediately preceding state fiscal year had a foundation allowance in an amount at least equal to the amount of the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year in the basic foundation allowance.

(4) To ensure that a district receives the district's foundation allowance, there is allocated to each district a state portion of the district's foundation allowance in an amount calculated under this subsection. The state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or \$6,500.00, whichever is less, minus the difference between the product of the taxable value per membership pupil OTHER THAN SPECIAL EDUCATION PUPILS of all property in the district that is not a homestead or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, ~~or~~ the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, OR THE BROWNFIELD REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2651 TO 125.2672, divided by the district's membership EXCLUDING SPECIAL EDUCATION PUPILS. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, except for a district that was notified of such a millage reduction in 1996 after the last permissible date to schedule an election to override that millage reduction, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. ~~For 1996-97 and each succeeding~~ EACH fiscal year AFTER 1994-95, the \$6,500.00 amount prescribed in this subsection shall be adjusted EACH YEAR by an amount equal to the dollar amount of the difference between the basic foundation allowance for the current state fiscal year and \$5,000.00.

(5) The allocation under this section for a pupil shall be based on the foundation allowance of the pupil's district of residence. However, for a pupil enrolled pursuant to section 105 in a district other than the pupil's district of residence but within the same intermediate district, the allocation under this section shall be based on the lesser of the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another district in a grade not offered by the pupil's district of residence, the allocation under this section shall be based on the foundation allowance of the educating district if the educating district's foundation allowance is greater than the foundation allowance of the pupil's district of residence.

(6) Subject to subsection (7) and except as otherwise provided in this subsection, for pupils in membership, OTHER THAN SPECIAL EDUCATION PUPILS, in a public school academy or a university school, there is allocated under this section for ~~1996-97~~ 1997-98 to the authorizing body that is the fiscal agent for ~~a~~ THE public school academy for forwarding to the public school academy, or to the board of the public university operating the university school, an amount per membership pupil OTHER THAN SPECIAL EDUCATION PUPILS in the public school academy or university school equal to the sum of the local school operating revenue per membership pupil OTHER THAN SPECIAL EDUCATION PUPILS for the district in which the public school academy or university school is located and the state portion of that district's foundation allowance, or ~~\$5,500.00~~ THE SUM OF THE BASIC FOUNDATION ALLOWANCE UNDER SUBSECTION (1) PLUS \$500.00, whichever is less. ~~For 1996-97 and each succeeding fiscal year, the \$5,500.00 amount prescribed in this subsection shall be adjusted by an amount equal to the dollar amount of~~

~~the difference between the basic foundation allowance for the current state fiscal year and \$5,000.00.~~ Notwithstanding section 101(2), for a public school academy that begins operations in ~~1996-97~~ 1997-98 after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the public school academy after it begins operations, as determined by the department, divided by ~~990~~ THE MINIMUM NUMBER OF HOURS OF PUPIL INSTRUCTION REQUIRED UNDER SECTION 1284 OF THE REVISED SCHOOL CODE, MCL 380.1284. The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection. Also, a public school academy that begins operations in ~~1996-97~~ 1997-98 after the pupil membership count day shall not receive any funds under this section unless the public school academy provides for the school year a number of hours of pupil instruction that is at least in the same proportion to ~~990 hours~~ THE MINIMUM NUMBER OF HOURS OF PUPIL INSTRUCTION REQUIRED UNDER SECTION 1284 OF THE REVISED SCHOOL CODE, MCL 380.1284, as the number of days of pupil instruction provided by the public school academy for the school year is in proportion to ~~180 days~~ THE NUMBER OF DAYS OF PUPIL INSTRUCTION REQUIRED UNDER SECTION 1284 OF THE REVISED SCHOOL CODE, MCL 380.1284.

(7) If more than 25% of the pupils residing within a district are in membership in 1 or more public school academies located in the district, then the amount per membership pupil allocated under this section to the authorizing body that is the fiscal agent for a public school academy located in the district for forwarding to the public school academy shall be reduced by an amount equal to the difference between the product of the taxable value per membership pupil OTHER THAN SPECIAL EDUCATION PUPILS of all property in the district that is not a homestead or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, ~~or~~ the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, OR THE BROWNFIELD REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2651 TO 125.2672, divided by the district's membership EXCLUDING SPECIAL EDUCATION PUPILS, in the school fiscal year ending in the current state fiscal year, calculated as if the resident pupils in membership in 1 or more public school academies located in the district were in membership in the district. In order to receive state school aid under this act, a district described in this subsection shall pay to the authorizing body that is the fiscal agent for a public school academy located in the district for forwarding to the public school academy an amount equal to that local school operating revenue per membership pupil OTHER THAN SPECIAL EDUCATION PUPILS for each resident pupil in membership OTHER THAN SPECIAL EDUCATION PUPILS in the public school academy, as determined by the department.

(8) If a district does not receive a payment under subsection (9); if the number of mills the district may levy on a homestead and qualified agricultural property under section 1211(1) of the revised school code, MCL 380.1211, is 0.5 mills or less; and if the district elects not to levy those mills, the district instead shall receive a separate supplemental payment under this subsection in an amount equal to the amount the district would have received had it levied those mills, as determined by the department of treasury. A district shall not receive a separate supplemental payment under this subsection for a fiscal year unless in the calendar year ending in the fiscal year the district levies 18 mills or the number of mills of school operating taxes levied by the district in 1993, whichever is less, on property that is not a homestead or qualified agricultural property.

(9) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than \$6,500.00 and that had fewer than 350 pupils in membership, if the district elects not to reduce the number of mills from which a homestead and qualified agricultural property are exempt and not to levy school operating taxes on a homestead and qualified agricultural property as provided in section 1211(1) of the revised school code, MCL 380.1211, and not to levy school operating taxes on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, there is allocated under this subsection for 1994-95 and each succeeding fiscal year a separate supplemental payment in an amount equal to the amount the district would have received per membership pupil had it levied school operating taxes on a homestead and qualified agricultural property at the rate authorized for the district under section 1211(1) of the revised school code, MCL 380.1211, and levied school operating taxes on all property at the rate authorized for the district under section 1211(2) of the revised school code, MCL 380.1211, as determined by the department of treasury. A district shall not receive a separate supplemental payment under this subsection for a fiscal year unless in the calendar year ending in the fiscal year the district levies 18 mills or the number of mills of school operating taxes levied by the district in 1993, whichever is less, on property that is not a homestead or qualified agricultural property.

(10) A district or public school academy may use any funds allocated under this section in conjunction with any federal funds for which the district or public school academy otherwise would be eligible.

(11) For a district that is formed or reconfigured after June 1, 1994 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the

resulting district who reside in the geographic area of each of the original districts. If an affected district's foundation allowance is less than the basic foundation allowance, the amount of that district's foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the basic foundation allowance.

(12) Each fraction used in making calculations under this section shall be rounded to the fourth decimal place and the dollar amount of an increase in the basic foundation allowance shall be rounded to the nearest whole dollar.

(13) State payments related to payment of the foundation allowance for a special education pupil are not funded under this section but are instead funded under section 51a.

(14) To assist the legislature in determining the basic foundation allowance for the subsequent state fiscal year, each revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b, shall calculate a pupil membership factor, a revenue adjustment factor, and an index as follows:

(a) The pupil membership factor shall be computed by dividing the estimated membership in the school year ending in the current state fiscal year, excluding intermediate district membership, by the estimated membership for the school year ending in the subsequent state fiscal year, excluding intermediate district membership. If a consensus membership factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(b) The revenue adjustment factor shall be computed by dividing the sum of the estimated total state school aid fund revenue for the subsequent state fiscal year plus the estimated total state school aid fund revenue for the current state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund, by the sum of the estimated total school aid fund revenue for the current state fiscal year plus the estimated total state school aid fund revenue for the immediately preceding state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund. If a consensus revenue factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(c) The index shall be calculated by multiplying the pupil membership factor by the revenue adjustment factor. If a consensus index is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(15) If the principals at the revenue estimating conference reach a consensus on the index described in subsection (14)(c), the basic foundation allowance for the subsequent state fiscal year shall be at least the amount of that consensus index multiplied by the basic foundation allowance specified in subsection (1).

(16) If the pupil membership, excluding intermediate district membership, for the school year ending in the next state fiscal year is estimated at the January revenue estimating conference to be greater than 101% of the pupil membership, excluding intermediate district membership, for the school year ending in the current state fiscal year, then it is the intent of the legislature that the executive budget proposal for the school aid budget in the subsequent state fiscal year incorporate a general fund/general purpose allocation that is greater than the general fund/general purpose allocation in the current fiscal year, to support the estimated membership in excess of 101% of the membership in the current year.

(17) As used in this section:

(a) "Combined state and local revenue per membership pupil" means the aggregate of the district's state school aid received by or paid on behalf of the district under this section and the district's local school operating revenue, divided by the district's membership.

(b) "Current state fiscal year" means the state fiscal year for which a particular calculation is made.

(c) "Homestead" means that term as defined in section 1211 of the revised school code, MCL 380.1211.

(d) "Immediately preceding state fiscal year" means the state fiscal year immediately preceding the current state fiscal year.

(e) "Local school operating revenue" means school operating taxes levied under section 1211 of the revised school code, MCL 380.1211.

(f) "Local school operating revenue per membership pupil" means a district's local school operating revenue divided by the district's membership.

(g) "Membership" means the definition of that term under section 6 as in effect for the particular fiscal year for which a particular calculation is made.

(h) "Qualified agricultural property" means that term as defined in section 1211 of the revised school code, MCL 380.1211.

(i) "School operating purposes" means the purposes included in the operation costs of the district as prescribed in sections 7 and 18.

(j) "School operating taxes" means local ad valorem property taxes levied under section 1211 of the revised school code, MCL 380.1211, and retained for school operating purposes.

(k) "Taxable value per membership pupil OTHER THAN SPECIAL EDUCATION PUPILS" means taxable value, as certified by the department of treasury, for the calendar year ending in the current state fiscal year divided by the district's membership EXCLUDING SPECIAL EDUCATION PUPILS for the school year ending in the current state fiscal year.

Sec. 20c. (1) From the appropriation in section 11, there is allocated for ~~1996-97~~ 1997-98 an amount not to exceed ~~\$190,000,000.00~~ \$95,000,000.00 for making an additional payment to districts for ~~1996-97~~ 1997-98 only. The payment shall be made by the state treasurer in 2 equal installments, on August 20, ~~1997~~ 1998 and September 20, ~~1997~~ 1998, or on the next succeeding business day.

(2) The amount of the payment to a district under this section shall be calculated by dividing ~~\$190,000,000.00~~ \$95,000,000.00 by the total statewide membership of all districts and multiplying that quotient times the district's membership. If a public school academy demonstrates to the department that it was authorized as a public school academy under the revised school code before August 1, ~~1997~~ 1998 and that it is planning to operate as a public school academy for the entire ~~1997-98~~ 1998-99 school year, then for the purpose of calculating payments under this section to the public school academy, the public school academy shall be considered to have a membership equal to an estimated pupil count for the ~~1997-98~~ 1998-99 pupil membership count day, as submitted by the authorizing body to the department and as approved by the department. If a public school academy that receives a payment under this section in ~~1996-97~~ 1997-98 does not operate for the entire ~~1997-98~~ 1998-99 school year, the public school academy is liable to the department for, and shall repay to the department, the entire amount of that payment to the public school academy plus any costs and attorney fees incurred by the state in collecting the repayment.

(3) The payments under this section are estimated advance payments of the state foundation allowance and supplemental allowance under section 20 for the state fiscal year ending September 30, ~~1998~~ 1999. A district shall not accrue a payment under this section to the school fiscal year ending June 30, ~~1997~~ 1998.

Sec. 20d. ~~(4)~~ In making the final determination required under former section 20a of a district's combined state and local revenue per membership pupil in 1993-94 and IN MAKING CALCULATIONS under section 20, ~~of a district's 1994-95 millage rate,~~ the department and the department of treasury shall comply with all of the following:

(a) For a district that had combined state and local revenue per membership pupil in the 1994-95 state fiscal year of \$6,500.00 or more and served as a fiscal agent for a state board designated area vocational education center in the 1993-94 school year, total state school aid received by or paid on behalf of the district pursuant to this act in 1993-94 shall exclude payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services to the area vocational education center. Not later than June 30, 1996, the department shall make an adjustment under this subdivision to the district's combined state and local revenue per membership pupil in the 1994-95 state fiscal year and the department of treasury shall make a final certification of the number of mills that may be levied by the district under section 1211 of the revised school code, ~~being section 380.1211 of the Michigan Compiled Laws~~ MCL 380.1211, as a result of the adjustment under this subdivision.

(b) If a district had an adjustment made to its 1993-94 total state school aid that excluded payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services for intermediate district center programs operated by the district under article 5, if nonresident pupils attending the center programs were included in the district's membership for purposes of calculating the combined state and local revenue per membership pupil for 1993-94, and if there is a signed agreement by all constituent districts of the intermediate district that an adjustment under this subdivision shall be made, the foundation allowances for 1995-96 and 1996-97 of all districts that had pupils attending the intermediate district center program operated by the district that had the adjustment shall be calculated as if their combined state and local revenue per membership pupil for 1993-94 included resident pupils attending the center program and excluded nonresident pupils attending the center program.

~~(2) If a district was entitled in 1993 to revenue from service charges in lieu of taxes under section 15a of the state housing development authority act of 1966, Act No. 346 of the Public Acts of 1966, being section 125.1415a of the Michigan Compiled Laws, and if the district's local school operating revenue for 1993-94 was not credited with this revenue in the calculation under former section 20a of combined state and local revenue per membership pupil in 1993-94 because the local unit of government collecting the service charges did not pay the revenue from the service charges to the district, then, upon receipt not later than August 1, 1996 of information from the district verifying this circumstance, the department and the department of treasury shall adjust the district's local school operating revenue for 1993-94 only and shall recalculate and adjust the district's foundation allowance accordingly for the 1995-96 fiscal year.~~

(C) FOR A DISTRICT THAT LEVIED MORE THAN 43 MILLS FOR SCHOOL OPERATING PURPOSES IN THE 1993-94 STATE FISCAL YEAR; THAT HAD COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL IN THE 1993-94 STATE FISCAL YEAR OF LESS THAN \$5,500.00; THAT INCLUDED THE PUPILS ATTENDING AN INTERMEDIATE DISTRICT CENTER PROGRAM OPERATED BY THE DISTRICT IN THE DISTRICT'S 1993-94 MEMBERSHIP; AND THAT SUBMITS A REQUEST TO THE DEPARTMENT NOT LATER THAN SEPTEMBER 1, 1997 FOR RECALCULATION UNDER THIS SUBDIVISION, THE DISTRICT'S FOUNDATION ALLOWANCE FOR 1997-98 SHALL BE BASED ON A RECALCULATION OF THE DISTRICT'S 1994-95 FOUNDATION ALLOWANCE, USING BOTH OF THE FOLLOWING ADJUSTMENTS:

(i) THE DISTRICT'S COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL IN THE 1993-94 STATE FISCAL YEAR SHALL BE REDUCED BY AN AMOUNT EQUAL TO THE PRODUCT OF THE DISTRICT'S GROSS MEMBERSHIP ALLOWANCE UNDER FORMER SECTION 21 FOR 1993-94 TIMES THE NUMBER OF NONRESIDENT FULL-TIME EQUATED PUPILS ATTENDING THE INTERMEDIATE DISTRICT CENTER PROGRAM OPERATED BY THE DISTRICT IN 1993-94 WHO WERE COUNTED IN THE DISTRICT'S 1993-94 MEMBERSHIP.

(ii) THE DISTRICT'S 1993-94 MEMBERSHIP SHALL BE REDUCED BY THE NUMBER OF NONRESIDENT FULL-TIME EQUATED PUPILS ATTENDING THE INTERMEDIATE DISTRICT CENTER PROGRAM OPERATED BY THE DISTRICT IN 1993-94 WHO WERE COUNTED IN THE DISTRICT'S 1993-94 MEMBERSHIP.

SEC. 20K. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 1997-98 AN AMOUNT NOT TO EXCEED \$8,000,000.00 FOR PAYMENTS TO DISTRICTS THAT LEVIED AT LEAST 35 MILLS IN 1993 FOR SCHOOL OPERATING PURPOSES IN THE 1993-94 SCHOOL YEAR AND THAT LEVIED MILLAGE UNDER SECTION 1211C OF THE REVISED SCHOOL CODE, MCL 380.1211C, IN 1996 FOR ENHANCING SCHOOL OPERATING REVENUE IN THE 1996-97 SCHOOL YEAR AND RECEIVED MORE THAN \$3,500,000.00 IN REVENUE FROM THAT MILLAGE. THE AMOUNT OF THE PAYMENT UNDER THIS SUBSECTION FOR 1997-98 FOR EACH DISTRICT THAT IS DETERMINED BY THE DEPARTMENT TO MEET THE CRITERIA UNDER THIS SUBSECTION SHALL BE \$2,000,000.00. IT IS THE INTENT OF THE LEGISLATURE THAT THE ALLOCATION UNDER THIS SUBSECTION SHALL CONTINUE IN THE SAME AMOUNT FOR 1998-99 AND 1999-2000.

(2) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 1997-98 AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR PAYMENTS UNDER THIS SUBSECTION TO DISTRICTS IN WHICH THE NUMBER OF MILLS LEVIED IN 1993 FOR SCHOOL OPERATING PURPOSES IN THE 1993-94 SCHOOL YEAR WAS AT LEAST 3 MILLS LESS THAN THE NUMBER OF MILLS LEVIED IN 1992 FOR SCHOOL OPERATING PURPOSES IN THE 1992-93 SCHOOL YEAR, THAT HAD COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL FOR 1993-94 OF LESS THAN \$5,000.00, AND THAT LEVIED AT LEAST 35 MILLS IN 1993 FOR SCHOOL OPERATING PURPOSES IN THE 1993-94 SCHOOL YEAR. THE AMOUNT OF THE PAYMENT UNDER THIS SUBSECTION FOR 1997-98 FOR EACH DISTRICT THAT IS DETERMINED BY THE DEPARTMENT TO MEET THE CRITERIA UNDER THIS SUBSECTION SHALL BE AN AMOUNT EQUAL TO .001 MULTIPLIED BY THE PRODUCT OF THE DIFFERENCE BETWEEN THE NUMBER OF MILLS THE DISTRICT LEVIED IN 1992 FOR SCHOOL OPERATING PURPOSES IN THE 1992-93 SCHOOL YEAR MINUS THE NUMBER OF MILLS THE DISTRICT LEVIED IN 1993 FOR SCHOOL OPERATING PURPOSES IN THE 1993-94 SCHOOL YEAR TIMES THE DISTRICT'S TAXABLE VALUE FOR 1997. THE DEPARTMENT SHALL PRORATE PAYMENTS UNDER THIS SUBSECTION AS NECESSARY.

Sec. 23. (1) An instructional program operated under this section by a public university for pupils in grades K-6, 6-8, or 9-12, or a combination of those grades, may be funded under this act as a district if all of the following requirements are met:

(a) The public university has submitted an application under this section, or submitted an application to the department in a prior fiscal year under former section 23c, in the form and manner prescribed by the department. The application shall include, or have included, at least all of the following:

- (i) Identification of the proposed grade levels for which the university plans to operate an instructional program.
- (ii) Identification of the districts from which pupils would be eligible to attend the instructional program.
- (iii) A description of the process for the random selection of pupils for enrollment.
- (iv) A description of the proposed curriculum features that would be given highest priority in the instructional program.

(b) The instructional program complies with the requirements of sections 1204a, 1277, 1278, and 1280 of the revised school code, ~~being sections 380.1204a, 380.1277, 380.1278, and 380.1280 of the Michigan Compiled Laws~~ MCL 380.1204A, 380.1277, 380.1278, AND 380.1280, commonly referred to as "public act 25 of 1990".

(2) An instructional program operated under this section is eligible in the same manner as a district OR PUBLIC SCHOOL ACADEMY for all applicable categorical and federal aid.

(3) An employee of a public university employed in an instructional program operated under this section is not an employee of a school district for purposes of ~~Act No. 4 of the Public Acts of the Extra Session of 1937, being sections 38.71 to 38.191 of the Michigan Compiled Laws~~ 1937 (EX SESS) PA 4, MCL 38.71 TO 38.191.

(4) An employee of a public university employed in an instructional program operated under this section is not eligible to be a member of the public school employees retirement system established by the public school employees retirement act of 1979, ~~Act No. 300 of the Public Acts of 1980, being sections 38.1301 to 38.1408 of the Michigan Compiled Laws~~ 1980 PA 300, MCL 38.1301 TO 38.1467, unless other employees of the university are eligible for membership in that retirement system.

Sec. 24. (1) Subject to subsection (2), from the appropriation in section 11, there is allocated for ~~1996-97~~ 1997-98 to the educating district or intermediate district an amount equal to 100% of the added cost for educating ALL pupils assigned by a court or the family independence agency to reside in or to attend a juvenile detention facility or child caring institution licensed by the family independence agency and approved by the department to provide an

on-grounds education program. The total amount to be paid for ~~1996-97~~ 1997-98 under this section for added cost shall not exceed \$7,000,000.00. For the purposes of this section, "added cost" shall be computed by deducting all other revenue received under this act for pupils described in this section from total costs, as approved by the department, for educating those pupils in the on-grounds education program or in a program approved by the department that is located on property adjacent to a juvenile detention facility or child caring institution. Costs reimbursed by federal funds are not included.

(2) A district or intermediate district educating pupils described in this section at a residential child caring institution may operate, and receive funding under this section for, a department-approved on-grounds educational program for those pupils that is longer than ~~180~~ 181 days, but not longer than 233 days, if the child caring institution offered in 1991-92 an on-grounds educational program longer than ~~180~~ 181 days but not longer than 233 days.

(3) Special education pupils funded under section 53a shall not be funded under this section.

Sec. 25. If a pupil is enrolled in an alternative education program operated by an intermediate district or district for middle school or high school pupils, or both, who have been expelled under section 1311 of the revised school code, ~~being section 380.1311 of the Michigan Compiled Laws~~ MCL 380.1311, the intermediate district or district operating the program shall report the enrollment information to the department and to the district in which the pupil is counted in membership, and the district in which the pupil is counted in membership shall pay to the intermediate district or district operating the program an amount equal to the amount of the foundation allowance received by the district in which the pupil is counted in membership, prorated according to the number of days of the school year ending in the fiscal year the pupil is educated in the alternative education program compared to the number of days of the school year ending in the fiscal year the pupil was actually enrolled in the district in which the pupil is counted in membership. If a district does not make the payment required under this section ~~by May 1 of a school year~~ WITHIN 30 DAYS AFTER RECEIPT OF THE REPORT, the department shall calculate the amount owed, shall deduct that amount from the remaining state school aid payments to the district for that fiscal year under this act, and shall pay that amount to the intermediate district or district operating the alternative education program. The district in which the pupil is counted in membership and the intermediate district or district operating the alternative education program shall provide to the department all information the department requires to enforce this section.

Sec. 26. A district or intermediate district receiving money pursuant to ~~Act No. 197 of the Public Acts of 1975, being sections 125.1651 to 125.1681 of the Michigan Compiled Laws~~ 1975 PA 197, MCL 125.1651 TO 125.1681, the tax increment finance authority act, ~~Act No. 450 of the Public Acts of 1980, being sections 125.1801 to 125.1830 of the Michigan Compiled Laws, or~~ 1980 PA 450, MCL 125.1801 TO 125.1830, the local development financing act, ~~Act No. 281 of the Public Acts of 1986, being sections 125.2151 to 125.2174 of the Michigan Compiled Laws~~ 1986 PA 281, MCL 125.2151 TO 125.2174, OR THE BROWNFIELD REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2651 TO 125.2672, shall have its funds received under section 20, 56, or 62 reduced by an amount equal to the added local money.

SEC. 26A. FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 1997-98 AN AMOUNT NOT TO EXCEED \$6,584,200.00 TO REIMBURSE DISTRICTS, INTERMEDIATE DISTRICTS, AND THE STATE SCHOOL AID FUND PURSUANT TO SECTION 12 OF THE MICHIGAN RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2692, FOR TAXES LEVIED IN 1997. THIS REIMBURSEMENT SHALL BE MADE BY ADJUSTING PAYMENTS UNDER SECTION 20 TO ELIGIBLE DISTRICTS, ADJUSTING PAYMENTS UNDER SECTION 56, 62, OR 81 TO ELIGIBLE INTERMEDIATE DISTRICTS, AND ADJUSTING THE STATE SCHOOL AID FUND. THE ADJUSTMENTS SHALL BE MADE NOT LATER THAN 60 DAYS AFTER THE DEPARTMENT OF TREASURY CERTIFIES TO THE DEPARTMENT AND TO THE DEPARTMENT OF MANAGEMENT AND BUDGET THAT THE DEPARTMENT OF TREASURY HAS RECEIVED ALL NECESSARY INFORMATION TO PROPERLY DETERMINE THE AMOUNTS DUE TO EACH ELIGIBLE RECIPIENT.

Sec. 31a. (1) From the appropriation in section 11, there is allocated for ~~1996-97~~ 1997-98 an amount not to exceed ~~\$230,000,000.00~~ \$252,000,000.00 for payments to eligible districts and eligible public school academies under this section. Subject to subsection ~~(11)~~ (10), the amount of the additional allowance under this section shall be based on the number of actual pupils in membership in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined under the national school lunch act, chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766b, 1769, 1769b to 1769c, and 1769f to 1769h, and reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year or, for reporting in 1996-97 only, adjusted not later than June 30 of the immediately preceding fiscal year. However, for a public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year, the basis for the additional allowance under this section shall be the number of actual pupils in membership in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the current state fiscal year, as determined under the national school lunch act.

(2) To be eligible to receive funding under this section, a district or public school academy that has not been previously determined to be eligible shall apply to the department, in a form and manner prescribed by the department, and a district or public school academy must meet all of the following:

(a) The district's or public school academy's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, is less than or equal to \$6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current state fiscal year and \$5,000.00, - OR BOTH OF THE FOLLOWING APPLY TO THE DISTRICT OR PUBLIC SCHOOL ACADEMY:

(i) AT LEAST 1/3 OF THE PUPILS IN MEMBERSHIP IN THE DISTRICT OR PUBLIC SCHOOL ACADEMY MET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, AS DETERMINED AND REPORTED AS DESCRIBED IN SUBSECTION (1).

(ii) AT LEAST 5,000 OF THE PUPILS IN MEMBERSHIP IN THE DISTRICT OR PUBLIC SCHOOL ACADEMY MET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, AS DETERMINED AND REPORTED AS DESCRIBED IN SUBSECTION (1).

(b) The district or public school academy agrees to use the funding only for purposes allowed under this section and to comply with the program and accountability requirements under this section.

(3) ~~AN~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, AN eligible district or eligible public school academy shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the national school lunch act and as reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year or, for reporting in 1996-97 only, adjusted not later than June 30 of the immediately preceding fiscal year, an amount per pupil equal to 11.5% of the district's foundation allowance, not to exceed \$6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current state fiscal year and \$5,000.00, or of the public school academy's per membership pupil allocation under section 20 for the current state fiscal year. ~~However, a~~ A public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the national school lunch act and as reported to the department by October 31 of the current fiscal year and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's per membership pupil allocation under section 20 for the current state fiscal year. ~~For reporting occurring in 1996-97, if a district or public school academy submits an adjustment to the department after December 31, 1996 in the number of pupils used for determining payments under this section, the district or public school academy shall include with the submission an explanation for the adjustment and documentation satisfactory to the department to justify the adjustment.~~ A DISTRICT THAT IS ELIGIBLE FOR FUNDING UNDER THIS SECTION BECAUSE THE DISTRICT MEETS THE REQUIREMENTS OF SUBSECTION (2)(A)(i) AND (ii) SHALL RECEIVE UNDER THIS SECTION FOR EACH MEMBERSHIP PUPIL IN THE DISTRICT WHO MET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK, AS DETERMINED UNDER THE NATIONAL SCHOOL LUNCH ACT AND AS REPORTED TO THE DEPARTMENT BY OCTOBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR AND ADJUSTED NOT LATER THAN DECEMBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR, AN AMOUNT PER PUPIL EQUAL TO 5.75% OF THE DISTRICT'S FOUNDATION ALLOWANCE, ADJUSTED BY THE DOLLAR AMOUNT OF THE DIFFERENCE BETWEEN THE BASIC FOUNDATION ALLOWANCE UNDER SECTION 20 FOR THE CURRENT STATE FISCAL YEAR AND \$5,000.00.

(4) Except as otherwise provided in this section, a district or public school academy receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical or counseling services, for at-risk pupils and for the purposes of subsection (5) OR SECTION 31C and shall not use any of that money for administrative costs or to supplant ANOTHER PROGRAM OR OTHER funds, except for funds allocated to the district or public school academy under this section in the immediately preceding year and already being used by the district or public school academy for at-risk pupils. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year and may be conducted using a tutorial method, with paraprofessionals working under the supervision of a certificated teacher. The ratio of pupils to paraprofessionals shall be between 10:1 and 15:1. Only 1 certificated teacher is required to supervise instruction using a tutorial method. AS USED IN THIS SUBSECTION, "TO SUPPLANT ANOTHER PROGRAM" MEANS TO TAKE THE PLACE OF A PREVIOUSLY EXISTING INSTRUCTIONAL PROGRAM OR DIRECT NONINSTRUCTIONAL SERVICES FUNDED FROM A FUNDING SOURCE OTHER THAN FUNDING UNDER THIS SECTION.

(5) A district or public school academy that receives funds under this section and that operates a school breakfast program under section 1272a of the revised school code, MCL 380.1272a, shall use from those funds an amount, not to exceed \$10.00 per pupil for whom the district or public school academy receives funds under this section, necessary to operate the school breakfast program.

(6) ~~In order to provide accountability for the program funded under this section, the superintendent of a district or chief executive of a public school academy shall submit to the department, in a succinct form and manner prescribed by the department, a written assurance of the district's or public school academy's compliance with all provisions of~~

~~this section by May 20 of the current fiscal year. In addition, each~~ EACH district or public school academy receiving funds under this section shall submit to the department by ~~that date~~ MAY 20 OF EACH FISCAL YEAR a report, not to exceed 10 pages, on the usage by the district or public school academy of funds under this section, which report shall include at least a brief description of each program conducted by the district or public school academy using funds under this section, the amount of funds under this section allocated to each of those programs, and the number of at-risk pupils served by each of those programs. If a district or public school academy does not comply with this subsection, the department shall withhold an amount equal to the June payment due under this section until the district or public school academy complies with this subsection. If the district or public school academy does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

(7) In order to receive funds under this section, a district or public school academy shall allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The district or public school academy shall reimburse the state for all disallowances found in the audit.

(8) Subject to subsection (5), any district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) exceeds the district's aggregate percentage of those pupils. Subject to subsection (5), if a district obtains a waiver from the department, the district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) is at least 60% of the district's aggregate percentage of those pupils and at least ~~35%~~ 30% of the total number of pupils enrolled in the school building. To obtain a waiver, a district must apply to the department and demonstrate to the satisfaction of the department that the class size reductions would be in the best interests of the district's at-risk pupils.

~~(9) As a pilot project for a period of 3 fiscal years, a district that is located in a county with a population of more than 350,000 and less than 480,000 and that has more than 10,000 pupils in membership shall expend funds received under this section, other than the amount described in subsection (5), attributable to pupils enrolled in grades K-3 for the purpose of reducing class size in grades K-3 in the district to an average of not more than 17 pupils per class, with not more than 19 pupils in any particular class, in each school building in the district in which pupils described in subsection (1) constitute a specified percentage of the total number of pupils in the building. That specified percentage is as follows:~~

~~(a) For the 1994-95 school year, 59%.~~

~~(b) For the 1995-96 school year, 50%.~~

~~(c) For the 1996-97 school year, 25%.~~

(9) ~~(10)~~ A district or public school academy may use funds received under this section for adult high school completion, general education development (G.E.D.) test preparation, or adult basic education programs described in section 107.

(10) ~~(11)~~ If necessary, and before any proration required under section 11, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated under this section and then dividing that amount by the total statewide number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection (1).

(11) ~~(12)~~ If a district is formed by consolidation after June 1, 1995, and if 1 or more of the original districts was not eligible before the consolidation for an additional allowance under this section, the amount of the additional allowance under this section for the consolidated district shall be based on the number of pupils described in subsection (1) enrolled in the consolidated district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section.

(12) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, AN AMOUNT NOT TO EXCEED \$1,250,000.00 IS ALLOCATED FOR 1997-98 TO SCHOOL DISTRICTS LOCATED IN CITIES WITH A POPULATION GREATER THAN 100,000 OR IN WHICH AT LEAST 75% OF THE PUPILS IN MEMBERSHIP MET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, AS DETERMINED AND REPORTED AS DESCRIBED IN SUBSECTION (1), TO BE USED TO EXTEND THE TIME SCHOOLS OF THE SCHOOL DISTRICT ARE OPEN BY AN EXTRA 3 HOURS PER DAY. FUNDS SHALL BE DISTRIBUTED TO SUCH SCHOOL DISTRICTS ON A PRORATED BASIS, USING TOTAL NUMBER OF PUPILS PER SCHOOL DISTRICT AS THE BASIS FOR THE PRORATION. DURING THE EXTRA 3 HOURS PER DAY, A SCHOOL DISTRICT RECEIVING FUNDS UNDER THIS SUBSECTION SHALL USE THE FUNDS FOR 1 OR MORE OF THE FOLLOWING NON-ATHLETIC PROGRAM AREAS:

(A) ACADEMIC GAMES.

(B) COMPUTER LITERACY PROGRAMS.

(C) PEER MEDIATION.

(D) CONFLICT RESOLUTION PROGRAMS.

(E) TUTORIAL PROGRAMS.

(F) LITERACY PROGRAMS.

(13) As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets at least 2 of the following criteria: is a victim of child abuse or neglect; is below grade level in English language and communication skills or mathematics; is a pregnant teenager or teenage parent; is eligible for a federal free or reduced-price lunch subsidy; has atypical behavior or attendance patterns; or has a family history of school failure, incarceration, or substance abuse. For pupils for whom the results of at least the applicable MEAP test have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve at least a score of moderate on the most recent MEAP reading test for which results for the pupil have been received, did not achieve at least a score of moderate on the most recent MEAP mathematics test for which results for the pupil have been received, or achieved less than 50% of the objectives on the most recent MEAP science test for which results for the pupil have been received. For pupils in grades K-3, at-risk pupil also includes a pupil who is at risk of not meeting the district's core academic curricular objectives in English language, communication skills, or mathematics.

SEC. 31B. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 1997-98 AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR GRANTS TO ELIGIBLE DISTRICTS FOR FAMILY RESOURCE CENTERS AS DESCRIBED IN THIS SECTION.

(2) TO BE ELIGIBLE FOR A GRANT UNDER THIS SECTION, A DISTRICT MUST OPERATE AT LEAST 1 AT-RISK SCHOOL AND SHALL APPLY TO THE DEPARTMENT FOR THE GRANT IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT AND ACCORDING TO SUBSECTION (3).

(3) A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL USE THE FUNDS TO PROVIDE A FAMILY RESOURCE CENTER LOCATED IN CLOSE PROXIMITY TO THE AT-RISK SCHOOL AT WHICH THE GRANT PROGRAM IS IMPLEMENTED. A FAMILY RESOURCE CENTER SHALL SERVE NOT MORE THAN 500 PUPILS AND SHALL PROVIDE FAMILY SERVICES INCLUDING AT LEAST 1 OR MORE OF THE FOLLOWING: A SCHOOL SOCIAL WORKER WHO HAS VALID SCHOOL SOCIAL WORK APPROVAL ISSUED BY THE STATE BOARD, A SCHOOL COUNSELOR WHO HAS A VALID TEACHING CERTIFICATE WITH AN ENDORSEMENT IN COUNSELING ISSUED BY THE STATE BOARD, A SCHOOL PSYCHOLOGIST WHO HAS A VALID CERTIFICATE ISSUED BY THE STATE BOARD, OR A SCHOOL NURSE WHO HAS A VALID SCHOOL NURSE CERTIFICATE ISSUED BY THE STATE BOARD.

(4) A FAMILY RESOURCE CENTER FUNDED BY A GRANT UNDER THIS SECTION SHALL PROVIDE SERVICES IN PARTNERSHIP WITH THE FAMILY INDEPENDENCE AGENCY, THE DEPARTMENT OF COMMUNITY HEALTH, AND OTHER COMMUNITY-BASED ORGANIZATIONS AND AGENCIES TO INCREASE THE EFFECTIVE COORDINATION AND INTEGRATION OF HEALTH, HUMAN, SAFETY, AND OTHER COMMUNITY SERVICES INTO THE SCHOOL SETTING TO PROMOTE GREATER SUCCESS AND OPPORTUNITIES FOR AT-RISK PUPILS AND THEIR FAMILIES.

(5) ALL OF THE FOLLOWING APPLY TO GRANT APPLICATIONS AND APPROVAL OF GRANTS UNDER THIS SECTION:

(A) A DISTRICT SEEKING A GRANT UNDER THIS SECTION SHALL SUBMIT ITS APPLICATION TO THE DEPARTMENT NOT LATER THAN OCTOBER 15, 1997. THE APPLICATION SHALL INCLUDE A DETAILED PLAN OUTLINING THE STRUCTURE OF AND SERVICES TO BE PROVIDED AT THE FAMILY RESOURCE CENTER FOR THE AT-RISK SCHOOL.

(B) THE DEPARTMENT SHALL NOTIFY ALL APPLICANTS OF WHETHER OR NOT THE GRANT HAS BEEN APPROVED, AND OF THE GRANT AMOUNT, NOT LATER THAN DECEMBER 1, 1997. THE DEPARTMENT SHALL EXPLAIN ITS DECISION AS REQUIRED UNDER SUBSECTION (2).

(6) PAYMENTS UNDER THIS SECTION SHALL BE MADE IN 3 EQUAL INSTALLMENTS ON THE SAME DATES AS THE JANUARY, FEBRUARY, AND MARCH PAYMENTS UNDER SECTION 17B. IF ALL OF THE MONEY ALLOCATED UNDER SUBSECTION (1) IS NOT AWARDED AND PAID OUT BY MARCH 31, 1998, THE UNEXPENDED PORTION OF THE MONEY IS ALLOCATED TO SECTION 31A TO BE USED TO INCREASE PAYMENTS UNDER THAT SECTION ON A PRO RATA BASIS.

(7) AS USED IN THIS SECTION, "AT-RISK SCHOOL" MEANS AN ELEMENTARY SCHOOL, AS DEFINED BY THE DEPARTMENT, IN WHICH AT LEAST 50% OF THE ACTUAL PUPILS ENROLLED IN THE SCHOOL BUILDING IN THE IMMEDIATELY PRECEDING FISCAL YEAR MUST HAVE BEEN ELIGIBLE FOR FREE LUNCH, AS DETERMINED UNDER THE NATIONAL SCHOOL LUNCH ACT, CHAPTER 281, 60 STAT. 230, 42 U.S.C. 1751 TO 1753, 1755 TO 1761, 1762a, 1765 TO 1766b, 1769, 1769b TO 1769c, AND 1769f, AND REPORTED TO THE DEPARTMENT NOT LATER THAN OCTOBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR AND ADJUSTED NOT LATER THAN DECEMBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR.

SEC. 31C. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 1997-98 AN AMOUNT NOT TO EXCEED \$19,750,000.00 FOR GRANTS TO ELIGIBLE

DISTRICTS FOR PILOT PROGRAMS TO MAINTAIN OR ESTABLISH SMALL CLASSES IN GRADES K TO 3 IN ELIGIBLE SCHOOL BUILDINGS IN THE DISTRICT.

(2) TO BE ELIGIBLE FOR A GRANT UNDER THIS SECTION, A DISTRICT MUST HAVE AT LEAST 1 ELIGIBLE SCHOOL BUILDING AND SHALL APPLY TO THE DEPARTMENT NOT LATER THAN AUGUST 1, 1997 IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. A DISTRICT SHALL INCLUDE IN ITS APPLICATION A PROJECTED BUDGET FOR MAINTAINING OR ESTABLISHING SMALL CLASSES IN GRADES K TO 3 AND SHALL DEMONSTRATE IN THE PROJECTED BUDGET THAT AT LEAST \$2,000,000.00 OR 25% OF THE FUNDS RECEIVED BY THE DISTRICT UNDER SECTION 31A, WHICHEVER IS LESS, WILL BE USED TO SUPPORT SMALL CLASSES UNDER THIS SECTION. THE DEPARTMENT SHALL APPROVE OR DISAPPROVE APPLICATIONS AND NOTIFY THE APPLYING DISTRICT OF ITS DECISION NOT LATER THAN AUGUST 31, 1997.

(3) FOR A SCHOOL BUILDING TO BE ELIGIBLE FOR FUNDING UNDER THIS SECTION, THE SCHOOL BUILDING MUST OPERATE AT LEAST 1 OF GRADES K TO 3; THE SCHOOL BUILDING MUST BE OPERATED BY A DISTRICT THAT OPERATES ALL OF GRADES K TO 12 AND THAT RECEIVES FUNDS UNDER SECTION 31A; AND AT LEAST 50% OF THE ACTUAL PUPILS ENROLLED IN THE SCHOOL BUILDING IN THE IMMEDIATELY PRECEDING FISCAL YEAR MUST HAVE BEEN ELIGIBLE FOR FREE LUNCH, AS DETERMINED UNDER THE NATIONAL SCHOOL LUNCH ACT, CHAPTER 281, 60 STAT. 230, 42 U.S.C. 1751 TO 1753, 1755 TO 1761, 1762a, 1765 TO 1766b, 1769, 1769b TO 1769c, AND 1769f, AND REPORTED TO THE DEPARTMENT NOT LATER THAN OCTOBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR AND ADJUSTED NOT LATER THAN DECEMBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR.

(4) NOT MORE THAN 25% OF THE TOTAL ALLOCATION UNDER SUBSECTION (1) MAY BE PAID TO ANY 1 PARTICULAR DISTRICT. THE DEPARTMENT SHALL MAKE ALLOCATIONS UNDER THIS SECTION TO AT LEAST 12 DISTRICTS, AND THE DISTRICTS SHALL BE GEOGRAPHICALLY DIVERSE.

(5) A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL USE THE FUNDS TO MAINTAIN OR ESTABLISH SMALL CLASSES IN GRADES K TO 3 IN SCHOOL BUILDINGS OF THE DISTRICT FOR WHICH FUNDS ARE RECEIVED UNDER THIS SECTION. THE AVERAGE CLASS SIZE SHALL BE NOT MORE THAN 17 PUPILS PER CLASS, WITH NOT MORE THAN 19 PUPILS IN ANY PARTICULAR CLASS. A DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL USE AT LEAST \$2,000,000.00 OR 25% OF THE FUNDS THE DISTRICT RECEIVES UNDER SECTION 31A, WHICHEVER IS LESS, FOR THE PURPOSES OF THIS SECTION.

(6) FUNDING TO DISTRICTS UNDER THIS SECTION FOR 1997-98 IS INTENDED TO BE FOR THE FIRST OF 4 YEARS OF FUNDING.

(7) FROM THE GENERAL FUND APPROPRIATION UNDER SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT FOR 1997-98 AN AMOUNT NOT TO EXCEED \$250,000.00 FOR A STUDY OF THE EFFECTIVENESS OF SMALL CLASSES IN IMPROVING PUPIL PERFORMANCE.

Sec. 36. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$52,730,500.00~~ \$55,000,000.00 FROM THE STATE SCHOOL AID FUND AND AN AMOUNT NOT TO EXCEED \$200,000.00 FROM THE GENERAL FUND for school readiness grants in ~~1996-97~~ 1997-98 to enable eligible districts, as determined under section 37, to develop or expand, in conjunction with whatever federal funds may be available, including, but not limited to, federal funds under title I of the elementary and secondary education act of 1965, Public Law 89-10, 108 Stat. 3519, chapter 1 of TITLE I OF the Hawkins-Stafford elementary and secondary school improvement amendments of 1988, Public Law ~~100-297~~ 89-10, 102 STAT. 140, and the head start act, subchapter B of chapter 8 of subtitle A of title VI of the omnibus budget reconciliation act of 1981, Public Law 97-35, 42 U.S.C. 9831 to 9835, 9836 to 9844, 9846, and 9848 to 9852a, comprehensive compensatory programs designed to improve the readiness and subsequent achievement of educationally disadvantaged children as defined by the department who will be at least 4, but less than 5 years of age, as of December 1 of the school year in which the programs are offered, and who show evidence of 2 or more risk factors as defined in the state board report entitled "children at risk" that was adopted by the state board on April 5, 1988. A comprehensive compensatory program funded under this section shall include an age-appropriate educational curriculum, nutritional services, health screening for participating children, a plan for parent and legal guardian involvement, and provision of referral services for families eligible for community social services.

(2) FROM THE GENERAL FUND ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$200,000.00 FOR A COMPETITIVE GRANT TO CONTINUE A LONGITUDINAL EVALUATION OF CHILDREN WHO HAVE PARTICIPATED IN THE MICHIGAN SCHOOL READINESS PROGRAM.

(3) ~~(2)~~ A district receiving a grant under this section may contract for the provision of the comprehensive compensatory program and retain for administrative services an amount equal to not more than 5% of the grant amount.

Sec. 39. (1) The tentative allocation in ~~1996-97~~ 1997-98 to each eligible district under section 36 shall be determined by multiplying the number of children determined in section 38 or the number of children the district indicates it will

be able to serve under section 37(2)(c), whichever is less, by ~~\$3,000.00~~ \$3,100.00 and shall be distributed among districts in decreasing order of concentration of eligible children as determined by section 38 until the money allocated in section 36 is distributed.

(2) A district that has not less than 50 eligible children shall receive priority over other eligible districts other than those districts funded under subsection (3).

(3) A district that received funds under this section in at least 1 of the 2 immediately preceding fiscal years shall receive priority in funding over other eligible districts. However, funding beyond 3 state fiscal years is contingent upon the availability of funds and documented evidence satisfactory to the department of compliance with all operational, fiscal, administrative, and other program requirements.

(4) A district that offers supplementary day care funded by funds other than those received under this section and therefore offers full-day programs as part of its early childhood development program shall receive priority in the allocation of funds under this section over other eligible districts other than those districts funded under subsection (3).

(5) For any district with 315 or more eligible pupils, the number of eligible pupils shall be 65% of the number calculated under section 38. However, none of these districts may have less than 315 pupils for purposes of calculating the tentative allocation under section 36.

(6) If, taking into account the total amount to be allocated to the district as calculated under this section, a district determines that it is able to include additional eligible children in the school readiness program without additional funds under this section, the district may include additional eligible children but shall not receive additional funding under this section for those children.

~~(7) The family independence agency and the department shall develop a joint application process and form for those participants who meet the eligibility criteria for the unified child day care program.~~

Sec. 41. From the appropriation in section 11, there is allocated an amount not to exceed \$4,212,000.00 for ~~1996-97~~ 1997-98 to applicant districts and intermediate districts offering programs of bilingual instruction for pupils of limited English-speaking ability under section 1153 of the revised school code, ~~being section 380.1153 of the Michigan Compiled Laws~~ MCL 380.1153. Reimbursement shall be on a per pupil basis and shall be based on the number of pupils of limited English-speaking ability in membership on the pupil membership count day. Funds allocated under this section shall be used solely for bilingual instruction in speaking, reading, writing, or comprehension of pupils of limited English-speaking ability.

Sec. 51a. (1) From the appropriation in section 11, there is allocated ~~\$273,573,100.00~~ \$752,086,700.00 for ~~1996-97~~ 1997-98 to consist of an amount not to exceed ~~\$200,573,100.00~~ \$656,153,300.00 from state sources and ~~\$73,000,000.00~~ \$95,933,400.00 in federal funding under sections 611 to 620 of part B of the individuals with disabilities education act, title VI of Public Law 91-230, 20 U.S.C. 1411 to 1420, plus any carryover federal funds from previous year appropriations, for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, ~~being sections 380.1701 to 380.1766 of the Michigan Compiled Laws~~ MCL 380.1701 TO 380.1766; net tuition payments made by intermediate districts to the Michigan ~~school~~ SCHOOLS for the deaf and blind; and programs for pupils with handicaps as defined by the department. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 TO 380.1766.

(2) From the funds allocated ~~in section 20~~ UNDER SUBSECTION (1), there is allocated ~~to this section~~ for ~~1996-97~~ 1997-98 AN AMOUNT NOT TO EXCEED \$591,801,400.00 FOR PAYMENTS TOWARD reimbursing districts AND INTERMEDIATE DISTRICTS for 28.6138% OF total approved costs of special education, ~~an additional sum calculated by adding the products of the state portion of the foundation allowance of each district as determined under section 20 times the number of special education full time equated pupil memberships reported by each district pursuant to section 6(4), and, from that allocation, there is allocated to each district for 1996-97 an amount equal to the product of the state portion of the district's foundation allowance as determined under section 20 times the number of special education full time equated pupils reported by the district pursuant to section 6(4). The department shall report the amount of this allocation to the senate and house appropriations subcommittees responsible for oversight of this act and the department of management and budget not later than August 1, 1997. This allocation is estimated to be \$302,811,500.00. EXCLUDING COSTS REIMBURSED UNDER SECTION 53A, AND 70.4165% OF TOTAL APPROVED COSTS OF SPECIAL EDUCATION TRANSPORTATION. ALLOCATIONS UNDER THIS SUBSECTION SHALL BE MADE AS FOLLOWS:~~

(A) THE INITIAL AMOUNT ALLOCATED TO A DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS SUBSECTION TOWARD FULFILLING THE SPECIFIED PERCENTAGES SHALL BE CALCULATED BY MULTIPLYING THE DISTRICT'S OR INTERMEDIATE DISTRICT'S SPECIAL EDUCATION PUPIL MEMBERSHIP TIMES THE DISTRICT'S OR INTERMEDIATE DISTRICT'S FOUNDATION ALLOWANCE UNDER SECTION 20 NOT TO EXCEED \$6,500.00 ADJUSTED BY THE DOLLAR AMOUNT OF THE

DIFFERENCE BETWEEN THE 1997-98 BASIC FOUNDATION ALLOWANCE UNDER SECTION 20 AND \$5,000.00. FOR AN INTERMEDIATE DISTRICT, THE AMOUNT ALLOCATED UNDER THIS SUBDIVISION TOWARD FULFILLING THE SPECIFIED PERCENTAGES SHALL BE AN AMOUNT PER SPECIAL EDUCATION MEMBERSHIP PUPIL AND SHALL BE CALCULATED USING THE FOUNDATION ALLOWANCE UNDER SECTION 20 OF THE PUPIL'S DISTRICT OF RESIDENCE NOT TO EXCEED \$6,500.00 ADJUSTED BY THE DOLLAR AMOUNT OF THE DIFFERENCE BETWEEN THE 1997-98 BASIC FOUNDATION ALLOWANCE UNDER SECTION 20 AND \$5,000.00.

(B) AFTER THE ALLOCATIONS UNDER SUBDIVISION (A), THE REMAINING FUNDS AVAILABLE UNDER THIS SUBSECTION SHALL BE DISTRIBUTED TO DISTRICTS AND INTERMEDIATE DISTRICTS FOR WHICH THE PAYMENTS UNDER SUBDIVISION (A) DO NOT FULFILL THE SPECIFIED PERCENTAGES. THE PAYMENT TO A DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS SUBDIVISION SHALL BE IN AN AMOUNT THAT ENSURES THAT THE DISTRICT OR INTERMEDIATE DISTRICT RECEIVES ITS PROPORTIONATE SHARE OF THESE REMAINING FUNDS BASED ON THE PROPORTION OF THE TOTAL STATEWIDE SHORTFALL FROM THE SPECIFIED PERCENTAGES THAT IS ATTRIBUTABLE TO THE DISTRICT OR INTERMEDIATE DISTRICT.

(C) IF THE AGGREGATE REVENUE RECEIVED BY A DISTRICT OR INTERMEDIATE DISTRICT UNDER SUBDIVISIONS (A) AND (B) IS LESS THAN THE SUM OF 28.6138% OF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S TOTAL APPROVED COSTS OF SPECIAL EDUCATION, EXCLUDING COSTS REIMBURSED UNDER SECTION 53A, AND 70.4165% OF TOTAL APPROVED COSTS OF SPECIAL EDUCATION TRANSPORTATION, THERE IS ALLOCATED FOR 1997-98 TO THE DISTRICT OR INTERMEDIATE DISTRICT FROM THE ALLOCATION UNDER SECTION 20 OR SECTION 81, AS APPLICABLE, THE AMOUNT NECESSARY TO SATISFY THIS REMAINING AMOUNT. IF A DISTRICT OTHER THAN A PUBLIC SCHOOL ACADEMY OR UNIVERSITY SCHOOL EDUCATES A NONRESIDENT SPECIAL EDUCATION PUPIL, THE DISTRICT MAY BILL THE PUPIL'S DISTRICT OF RESIDENCE FOR THE PORTION OF THE COSTS ASSOCIATED WITH EDUCATING THE NONRESIDENT SPECIAL EDUCATION PUPIL THAT IS PAID FROM THE EDUCATING DISTRICT'S ALLOCATION UNDER SECTION 20.

(3) State funds shall be allocated on a total approved cost basis. Federal funds shall be allocated under applicable federal requirements, except that an amount not to exceed ~~\$3,000,000.00~~ \$3,100,000.00 may be allocated by the department to districts or intermediate districts on a competitive grant basis for programs, equipment, and services that the department determines to be designed to benefit or improve special education on a statewide scale.

(4) From the amount allocated in subsection (1), there is allocated an amount not to exceed ~~\$3,100,000.00~~ \$1,700,000.00 for ~~1996-97~~ 1997-98 to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987. As used in this subsection, "net increase in necessary costs" means the necessary additional costs incurred solely because of new or revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. Net increase in necessary costs shall be determined in a manner specified by the department.

(5) For purposes of this article, all of the following apply:

(a) "Total approved costs of special education" 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 53a programs. The total approved costs include salary and other compensation for all approved special education personnel for the program, including payments for social security and medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not 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 child caring institutions or juvenile detention programs approved by the department to provide an on-grounds education program.

(b) Reimbursement for ancillary and other related services, as defined by R 340.1701 of the Michigan administrative code, shall not be provided when those services are covered by and available through private group health insurance carriers or federal reimbursed program sources unless the department and district or intermediate district agree otherwise and that agreement is approved by the department of management and budget. Expenses, other than the incidental expense of filing, shall not be borne by the parent. In addition, the filing of claims shall not delay the education of a pupil. A district or intermediate district shall be responsible for payment of a deductible amount and for an advance payment required until the time a claim is paid.

(6) From the allocation in subsection (1), there is allocated for ~~1996-97~~ 1997-98 an amount not to exceed \$15,313,900.00 to intermediate districts. The payment under this subsection to each intermediate district shall be equal

to the ~~sum~~ AMOUNT of the ~~1994-95 allocations~~ 1996-97 ALLOCATION to the intermediate district under ~~former section 146a(2) and former section 147(5)~~ THIS SUBSECTION.

(7) ~~From the allocation in subsection (1), there is allocated for 1996-97 funding for pupils counted in membership under this subsection.~~ A pupil who is enrolled in a full-time special education program conducted or administered by an intermediate district or a pupil who is enrolled in the Michigan ~~school~~ SCHOOLS for the deaf and blind shall not be included in the membership count of a district, but shall be counted in membership in the intermediate district of residence. ~~For each pupil, the intermediate district shall receive an amount equal to the foundation allowance of the pupil's district of residence, not to exceed \$6,500.00 adjusted by the dollar amount of the difference between the 1996-97 basic foundation allowance under section 20 and \$5,000.00. A district operating a center program for pupils from several districts pursuant to an approved intermediate district plan that had the pupils counted in membership in the intermediate district in 1995-96 shall have the pupils counted in membership in the intermediate district in 1996-97.~~

(8) Special education personnel transferred from 1 district to another to implement the revised school code shall be entitled to the rights, benefits, and tenure to which the person would otherwise be entitled had that person been employed by the receiving district originally.

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

(10) ~~Expenditures~~ AFTER PAYMENTS UNDER SUBSECTION (2), THE REMAINING EXPENDITURES from the allocation in subsection (1) shall be made in the following order:

- (a) 100% of the reimbursement required under section 53a.
- (b) 100% of the reimbursement required under subsection (4).
- (c) 100% of the payment required under section 54.
- (d) 100% of the payment required under subsection (6).
- (e) 100% of the payments under ~~subsection (7)~~ SECTION 56.

(f) ~~Reimbursement under section 52~~ IF THE DEPARTMENT DETERMINES THAT A BALANCE REMAINS AFTER ALL EXPENDITURES DESCRIBED IN SUBDIVISIONS (A) TO (E), THE DEPARTMENT SHALL USE THAT BALANCE TO INCREASE THE PROPORTIONAL DISTRIBUTIONS UNDER SUBSECTION (2)(B).

Sec. 52. ~~(4)~~ Reimbursement for the necessary costs of special education programs and services shall be a portion determined by the amount allocated under section 51a(1), but not to exceed 75% of the total approved costs of operating special education programs and services approved by the department and included or applying for inclusion in the intermediate district plan adopted pursuant to article 3 of the revised school code, ~~being sections 380.1701 to 380.1766 of the Michigan Compiled Laws~~ MCL 380.1701 TO 380.1766, for special education pupils other than those programs funded under section ~~53 or~~ 53a, and of the costs of summer programs and services and the costs of providing room and board for special education pupils, as approved by the department. If the state financed proportion of reimbursement of the necessary costs of a special education activity or service required by article 3 of the revised school code, MCL 380.1701 TO 380.1766, which is in addition to or different from the special education activities or services required under sections 611 to 620 of part B of the individuals with disabilities education act, title VI of Public Law 91-230, 20 U.S.C. 1411 to 1420, is less than the state financed proportion of the necessary costs of that activity or service in 1978-79, the portion of the amount appropriated shall be increased to reimburse that activity or service accordingly.

~~(2) The costs of transportation for special education pupils shall not be funded under this section but shall be reimbursed under section 58.~~

Sec. 53a. (1) Reimbursement shall be 100% of the total approved costs of operating special education programs and services approved by the department and included in the intermediate district plan adopted pursuant to article 3 of the revised school code, ~~being sections 380.1701 to 380.1766 of the Michigan Compiled Laws~~ MCL 380.1701 TO 380.1766, minus the foundation allowance calculated under section 20, for the following special education pupils:

(a) Pupils assigned to a district or intermediate district through the community placement program of the courts or a state agency, if the pupil was a resident of another intermediate district at the time the pupil came under the jurisdiction of the court or a state agency.

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

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

(d) Pupils who are dependents of foreign diplomats who reside in this state and who are placed in a center program.

(e) Pupils enrolled in a department-approved on-grounds educational program longer than ~~180~~ 181 days, but not longer than 233 days, at a residential child care institution, if the child care institution offered in 1991-92 an on-grounds educational program longer than ~~180~~ 181 days but not longer than 233 days.

(f) Pupils placed in a district by a parent for the purpose of seeking a suitable home, if the parent does not reside in the same intermediate district as the district in which the pupil is placed.

(2) Only those costs that are clearly and directly attributable to educational programs for pupils described in subsection (1), and that would not have been incurred if the pupils were not being educated in a district or intermediate district, are reimbursable under this section.

(3) The costs of transportation shall be funded under this section but shall not be reimbursed under section 58.

(4) Not more than ~~\$24,000,000.00~~ \$15,000,000.00 for ~~1996-97~~ 1997-98 of the allocation in section 51a(1) shall be allocated under this section.

Sec. 54. In addition to the aid received under section 52, each intermediate district shall receive an amount per pupil for each pupil in attendance at the Michigan ~~school~~ SCHOOLS for the deaf and blind. The amount shall be proportionate to the total instructional cost at each school. Not more than \$1,688,000.00 for ~~1996-97~~ 1997-98 of the allocation in section 51a(1) shall be allocated under this section.

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

(a) "Membership" means the total membership in ~~1995-96~~ 1996-97 of the intermediate district and the districts constituent to the intermediate district.

(b) "Millage levied" means the millage levied for special education pursuant to part 30 of the revised school code, ~~being sections 380.1711 to 380.1743 of the Michigan Compiled Laws~~ MCL 380.1711 TO 380.1743, including a levy for debt service obligations.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district, except that if a district has elected not to come under part 30 of the revised school code, MCL 380.1711 TO 380.1743, membership and taxable value of the district shall not be included in the membership and taxable value of the intermediate district.

(2) From the ~~appropriation in~~ ALLOCATION UNDER section ~~44~~ 51A(1), there is allocated an amount not to exceed \$30,650,000.00 for ~~1996-97~~ 1997-98 to reimburse intermediate districts levying millages for special education pursuant to part 30 of the revised school code, MCL 380.1711 TO 380.1743. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by these millages and governed by the intermediate district plan adopted pursuant to article 3 of the revised school code, ~~being sections 380.1701 to 380.1766 of the Michigan Compiled Laws~~ MCL 380.1701 TO 380.1766. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts shall submit for departmental approval and implement a distribution plan that utilizes at least a district's foundation allowance, as calculated under section 20, as a required local contribution.

(3) Reimbursement for those millages levied in ~~1995-96~~ 1996-97 shall be made in ~~1996-97~~ 1997-98 at an amount per ~~1995-96~~ 1996-97 membership pupil computed by subtracting from ~~\$95,850.00~~ \$98,200.00 the ~~1995-96~~ 1996-97 taxable value behind each membership pupil, and multiplying the resulting difference by the ~~1995-96~~ 1996-97 millage levied.

Sec. 57. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$600,000.00 for ~~1996-97~~ 1997-98 to applicant intermediate districts that provide support services for the education of gifted and talented pupils. An intermediate district is entitled to 75% of the actual salary, but not to exceed \$25,000.00 reimbursement for an individual salary, of a support services teacher approved by the department, and not to exceed \$4,000.00 reimbursement for expenditures to support program costs, excluding in-county travel and salary, as approved by the department.

(2) From the appropriation in section 11, there is allocated an amount not to exceed \$400,000.00 for ~~1996-97~~ 1997-98 to support part of the cost of summer institutes for gifted and talented students. This amount shall be contracted to applicant intermediate districts in cooperation with a local institution of higher education and shall be coordinated by the department.

(3) From the appropriation in section 11, there is allocated an amount not to exceed \$4,000,000.00 for ~~1996-97~~ 1997-98 for the development and operation of comprehensive programs for gifted and talented pupils. An eligible district or consortium of districts shall receive an amount not to exceed \$50.00 per K-12 pupil for up to 5% of the district's or consortium's K-12 membership for the immediately preceding fiscal year with a minimum total grant of \$3,000.00. Funding shall be provided in the following order: the per pupil allotment, and then the minimum total grant of \$3,000.00 to individual districts. An intermediate district may act as the fiscal agent for a consortium of districts. In order to be eligible for funding under this subsection, the district or consortium of districts shall submit each year a current 3-year plan for operating a comprehensive program for gifted and talented pupils and the district or consortium shall demonstrate to the department that the district or consortium will contribute matching funds of at least \$50.00 per K-12 pupil. The plan or revised plan shall be developed in accordance with criteria established by the department and shall be submitted to the department for approval. Within the criteria, the department shall encourage the development of consortia among districts of less than 5,000 memberships.

Sec. 58. ~~(1) From the appropriation in section 11, there is allocated an amount not to exceed \$25,405,000.00 for 1996-97 to fund districts and intermediate districts for providing specialized transportation services, as determined by the department, for pupils in special education programs and services as defined in section 6 of the revised school code, being section 380.6 of the Michigan Compiled Laws, for which the district or intermediate district receives reimbursement under section 52. Allocations to districts and intermediate districts under this section 51A FOR~~

PROVIDING SPECIAL EDUCATION TRANSPORTATION SERVICES shall be based on data reported by the districts and intermediate districts for the current school year.

~~(2) Transportation aid under subsection (1) is based upon an allowance for each vehicle used for transportation and calculated for each district and intermediate district by the department on the basis of all of the following factors:~~

~~(a) An overhead allowance of \$200.00 per special education pupil transported.~~
~~(b) A regional allowance of between \$9,500.00 and \$15,000.00 per vehicle, depending on the region, based upon the following:~~

~~(i) Transportation staff salary.~~

~~(ii) Regional cost variation.~~

~~(c) An amortization cost per pupil of 100% of cost for pupil transportation fleet vehicles.~~

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

~~(e) Authorized miles traveled per pupil of \$0.15 per mile.~~

~~(3) The rate of aid for contracted transportation services or transportation services provided through the use of public transit systems is comparable to the rate of aid for district owned bus fleets.~~

~~(4) Districts and intermediate districts may apply to the department for exceptions to the district's or intermediate district's formula transportation allowance under this section regarding the costs of transporting pupils when exceptional conditions or circumstances impose unavoidably unusual expenses for transporting pupils to their regularly scheduled classes.~~

Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$30,502,600.00~~ \$31,027,600.00 for ~~1996-97~~ 1997-98 to reimburse on an added cost basis districts, except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, and secondary area vocational-technical education centers for secondary-level vocational-technical education programs, including parenthood education programs, according to state board rules. Applications for participation in the programs shall be submitted in the form prescribed by the department. The department shall determine the added cost for each vocational-technical program area. The allocation of added cost funds shall be based on the type of vocational-technical programs provided, the number of pupils enrolled, and the length of the training period provided, and shall not exceed 75% of the added cost of any program. With the approval of the department, the board of a district maintaining a secondary vocational-technical education program may offer the program for the period from the close of the school year until September 1. The program shall use existing facilities and shall be operated as prescribed by rules promulgated by the state board.

(2) Except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, districts and intermediate districts shall be reimbursed for local vocational administration, shared time vocational administration, and career education planning district vocational-technical administration. The definition of what constitutes administration and reimbursement shall be pursuant to guidelines adopted by the state board. Not more than \$800,000.00 of the allocation in subsection (1) shall be distributed under this subsection.

(3) From the allocation in subsection (1), there is allocated an amount not to exceed ~~\$450,000.00~~ \$400,000.00 to intermediate districts with constituent districts that had combined state and local revenue per membership pupil in the 1994-95 state fiscal year of \$6,500.00 or more, served as a fiscal agent for a state board designated area vocational education center in the 1993-94 school year, and had an adjustment made to their 1994-95 combined state and local revenue per membership pupil pursuant to section 20d. The payment under this subsection to the intermediate district shall equal the ~~total~~ amount of the ~~adjustments made pursuant to section 20d~~. ALLOCATION TO THE INTERMEDIATE DISTRICT FOR 1996-97 UNDER THIS SUBSECTION.

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

(a) "Membership" means the total membership in ~~1995-96~~ 1996-97 of the intermediate district and the districts constituent to the intermediate district or the total membership in ~~1995-96~~ 1996-97 of the area vocational-technical education program.

(b) "Millage levied" means the millage levied for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, ~~being sections 380.681 to 380.690 of the Michigan Compiled Laws~~ MCL 380.681 TO 380.690, including a levy for debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting capital projects fund requirements of area vocational-technical education.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district or area vocational-technical education program, except that if a district has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 TO 380.690, the membership and taxable value of that district shall not be included in the membership and taxable value of the intermediate district.

(2) From the appropriation in section 11, there is allocated an amount not to exceed \$7,200,000.00 for ~~1996-97~~ 1997-98 to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 TO 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

(3) Reimbursement for the millages levied in ~~1995-96~~ 1996-97 shall be made in ~~1996-97~~ 1997-98 at an amount per ~~1995-96~~ 1996-97 membership pupil computed by subtracting from ~~\$95,100.00~~ \$98,700.00 the ~~1995-96~~ 1996-97

taxable value behind each membership pupil, and multiplying the resulting difference by the ~~1995-96~~ 1996-97 millage levied.

SEC. 67. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,500,000.00 FOR 1997-98 ONLY FOR MICHIGAN CAREER PREPARATION SYSTEM PLANNING GRANTS UNDER THIS SECTION.

(2) FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (1), \$1,150,000.00 SHALL BE ALLOCATED BY THE DEPARTMENT IN EQUAL PAYMENTS ON OCTOBER 20, 1997 AND ON FEBRUARY 20, 1998, TO LOCAL WORKFORCE DEVELOPMENT BOARDS SOLELY FOR THE USE OF THEIR EDUCATION ADVISORY GROUPS, AS DESCRIBED IN SECTION 68. PAYMENTS UNDER THIS SUBSECTION TO LOCAL WORKFORCE DEVELOPMENT BOARDS SHALL BE USED FOR THE PURPOSES OF DEVELOPING REGIONAL CAREER PREPARATION PLANS DESCRIBED IN SECTION 68.

(3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED \$150,000.00 TO THE COUNCIL FOR CAREER PREPARATION STANDARDS TO IDENTIFY UNIFORM CAREER COMPETENCY STANDARDS AND ASSESSMENTS FOR CAREER CLUSTERS, TO ESTABLISH A STATEWIDE INFORMATION SYSTEM ON CURRENT AND ANTICIPATED EMPLOYMENT OPPORTUNITIES AND THE REQUIRED LEVEL OF SKILLS AND EDUCATION REQUIRED FOR EMPLOYMENT, AND FOR ANY OTHER COUNCIL FUNCTIONS.

(4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED \$100,000.00 TO THE COUNCIL FOR CAREER PREPARATION STANDARDS TO PROVIDE INFORMATION TO PARENTS, PUPILS, SCHOOL PERSONNEL, EMPLOYERS, AND OTHERS REGARDING OPPORTUNITIES TO RECEIVE INTEGRATED ACADEMIC AND TECHNICAL PREPARATION IN THE PUBLIC SCHOOLS OF THIS STATE.

(5) FROM THE APPROPRIATION IN SUBSECTION (1), THERE IS ALLOCATED \$100,000.00 TO THE DEPARTMENT TO ESTABLISH GUIDELINES FOR EDUCATION ADVISORY GROUPS AND REGIONAL CAREER PREPARATION PLANS AND TO PROVIDE TECHNICAL ASSISTANCE TO LOCAL WORKFORCE DEVELOPMENT BOARDS AND EDUCATION ADVISORY GROUPS, IN COLLABORATION WITH THE MICHIGAN JOBS COMMISSION. THE DEPARTMENT SHALL DISTRIBUTE THE GUIDELINES TO EDUCATION AGENCIES AND TO ALL LOCAL WORKFORCE DEVELOPMENT BOARDS.

(6) AS USED IN THIS SECTION AND IN SECTION 68:

(A) "ADVANCED CAREER ACADEMY" MEANS A CAREER PREPARATION PROGRAM OPERATED BY A DISTRICT, BY AN INTERMEDIATE DISTRICT, OR BY A PUBLIC SCHOOL ACADEMY, THAT APPLIES FOR AND RECEIVES ADVANCED CAREER ACADEMY DESIGNATION FROM THE DEPARTMENT. TO RECEIVE THIS DESIGNATION, A CAREER PREPARATION PROGRAM SHALL MEET CRITERIA ESTABLISHED BY THE DEPARTMENT, IN COLLABORATION WITH THE MICHIGAN JOBS COMMISSION, WHICH CRITERIA SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:

(i) SATISFACTORY COMPLETION OF A PEER REVIEW PROCESS.

(ii) OPERATION OF PROGRAMS FOR THOSE CAREER CLUSTERS IDENTIFIED BY THE COUNCIL FOR CAREER PREPARATION STANDARDS AS BEING ELIGIBLE FOR ADVANCED CAREER ACADEMY STATUS.

(iii) INVOLVEMENT OF EMPLOYERS IN THE DESIGN AND IMPLEMENTATION OF CAREER PREPARATION PROGRAMS.

(iv) A FULLY INTEGRATED PROGRAM OF ACADEMIC AND TECHNICAL EDUCATION AVAILABLE TO PUPILS.

(v) DEMONSTRATION OF AN ESTABLISHED CAREER PREPARATION SYSTEM RESULTING IN INDUSTRY-VALIDATED CAREER LADDERS FOR GRADUATES OF THE PROGRAM, INCLUDING, BUT NOT LIMITED TO, WRITTEN ARTICULATION AGREEMENTS WITH POSTSECONDARY INSTITUTIONS TO ALLOW PUPILS TO RECEIVE ADVANCED COLLEGE PLACEMENT AND CREDIT OR FEDERALLY REGISTERED APPRENTICESHIPS, AS APPLICABLE.

(B) "CAREER CLUSTER" MEANS A GROUPING OF OCCUPATIONS FROM 1 OR MORE INDUSTRIES THAT SHARE COMMON SKILL REQUIREMENTS.

(C) "CAREER PREPARATION SYSTEM" IS A SYSTEM OF PROGRAMS AND STRATEGIES PROVIDING PUPILS WITH OPPORTUNITIES TO PREPARE FOR SUCCESS IN CAREERS OF THEIR CHOICE.

(D) "ELIGIBLE EDUCATION AGENCY" MEANS A DISTRICT, INTERMEDIATE DISTRICT, OR ADVANCED CAREER ACADEMY THAT PROVIDES CAREER PREPARATION PROGRAMS EITHER DIRECTLY OR UNDER A CONTRACT WITH A POSTSECONDARY INSTITUTION OR AN EMPLOYER AS PART OF AN APPROVED REGIONAL CAREER PREPARATION PLAN.

(E) "FTE" MEANS FULL-TIME EQUIVALENT PUPIL AS DETERMINED BY THE DEPARTMENT.

(F) "WORKFORCE DEVELOPMENT BOARD" MEANS A LOCAL WORKFORCE DEVELOPMENT BOARD ESTABLISHED PURSUANT TO THE JOB TRAINING PARTNERSHIP ACT, PUBLIC LAW 97-300, 96 STAT. 1322, AND THE SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1994, PUBLIC LAW 103-239, 108 STAT. 568, OR THE EQUIVALENT.

SEC. 68. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$6,000,000.00 FOR 1997-98 TO BE USED TO IMPLEMENT THE MICHIGAN

CAREER PREPARATION SYSTEM IN THE 1998-99 SCHOOL YEAR AS PROVIDED UNDER THIS SECTION. THE DEPARTMENT SHALL MAKE GRANTS TO ELIGIBLE EDUCATION AGENCIES UNDER THIS SECTION AND SHALL DISTRIBUTE THE GRANT FUNDING TO GRANT RECIPIENTS AFTER JULY 1, 1998, BUT NOT LATER THAN AUGUST 20, 1998. IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, AN ELIGIBLE EDUCATION AGENCY SHALL BE PART OF AN APPROVED REGIONAL CAREER PREPARATION PLAN UNDER SUBSECTION (2) AND SHALL AGREE TO EXPEND THE FUNDS REQUIRED UNDER THIS SECTION IN ACCORDANCE WITH THE REGIONAL CAREER PREPARATION PLAN. FUNDS AWARDED UNDER THIS SECTION THAT ARE NOT EXPENDED IN ACCORDANCE WITH THIS SECTION MAY BE RECOVERED BY THE DEPARTMENT. A RECIPIENT OF FUNDS UNDER THIS SECTION SHALL NOT ACCRUE THOSE FUNDS TO THE PREVIOUS SCHOOL FISCAL YEAR.

(2) IN ORDER TO RECEIVE FUNDING UNDER THIS SECTION, ALL FUNDING RECIPIENTS SHALL BE A PART OF AN APPROVED 3-YEAR REGIONAL CAREER PREPARATION PLAN AS DESCRIBED IN THIS SUBSECTION. ALL OF THE FOLLOWING APPLY TO A REGIONAL CAREER PREPARATION PLAN:

(A) A 3-YEAR REGIONAL CAREER PREPARATION PLAN SHALL BE DEVELOPED UNDER SUBDIVISIONS (B), (C), AND (D) FOR ALL PUBLIC EDUCATION AGENCIES PROVIDING CAREER PREPARATION PROGRAMS AS PART OF A REGIONAL CAREER PREPARATION SYSTEM WITHIN THE GEOGRAPHICAL BOUNDARIES OF A LOCAL WORKFORCE DEVELOPMENT BOARD, AND REVISED ANNUALLY. IF AN INTERMEDIATE DISTRICT IS LOCATED WITHIN THE GEOGRAPHICAL BOUNDARIES OF MORE THAN 1 LOCAL WORKFORCE DEVELOPMENT BOARD, THE BOARD OF THE INTERMEDIATE DISTRICT SHALL CHOOSE 1 LOCAL WORKFORCE DEVELOPMENT BOARD WITH WHICH TO ALIGN AND SHALL NOTIFY THE DEPARTMENT OF THIS CHOICE NOT LATER THAN OCTOBER 31, 1997.

(B) THE REGIONAL CAREER PREPARATION PLAN SHALL BE DEVELOPED BY REPRESENTATIVES OF THE EDUCATION ADVISORY GROUP OF EACH LOCAL WORKFORCE DEVELOPMENT BOARD IN ACCORDANCE WITH GUIDELINES DEVELOPED UNDER SECTION 67(5), AND IN ACCORDANCE WITH SUBDIVISIONS (D) AND (E). ALL OF THE FOLLOWING SHALL BE REPRESENTED ON EACH EDUCATION ADVISORY GROUP: WORKFORCE DEVELOPMENT BOARD MEMBERS, OTHER EMPLOYERS, LABOR, LOCAL SCHOOL DISTRICTS, INTERMEDIATE SCHOOL DISTRICTS, POSTSECONDARY INSTITUTIONS, CAREER/TECHNICAL EDUCATORS, PARENTS OF PUBLIC SCHOOL PUPILS, AND ACADEMIC EDUCATORS. THE REPRESENTATIVES OF LOCAL SCHOOL DISTRICTS, INTERMEDIATE SCHOOL DISTRICTS, AND POSTSECONDARY INSTITUTIONS APPOINTED TO THE EDUCATION ADVISORY GROUP BY THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL BE INDIVIDUALS DESIGNATED BY THE BOARD OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR POSTSECONDARY INSTITUTION.

(C) BY MAJORITY VOTE, THE EDUCATION ADVISORY GROUP MAY NOMINATE 1 EDUCATION REPRESENTATIVE, WHO MAY OR MAY NOT BE A MEMBER OF THE EDUCATION ADVISORY GROUP, FOR APPOINTMENT TO THE LOCAL WORKFORCE DEVELOPMENT BOARD. THIS EDUCATION REPRESENTATIVE SHALL BE IN ADDITION TO EXISTING EDUCATION REPRESENTATION ON THE LOCAL WORKFORCE DEVELOPMENT BOARD. THIS EDUCATION REPRESENTATIVE SHALL MEET ALL LOCAL WORKFORCE DEVELOPMENT BOARD MEMBERSHIP REQUIREMENTS.

(D) THE COMPONENTS OF THE REGIONAL CAREER PREPARATION PLAN SHALL INCLUDE, BUT ARE NOT LIMITED TO, ALL OF THE FOLLOWING:

(i) THE ROLES OF DISTRICTS, INTERMEDIATE DISTRICTS, ADVANCED CAREER ACADEMIES, POSTSECONDARY INSTITUTIONS, EMPLOYERS, LABOR REPRESENTATIVES, AND OTHERS IN THE CAREER PREPARATION SYSTEM.

(ii) PROGRAMS TO BE OFFERED, INCLUDING AT LEAST CAREER EXPLORATION ACTIVITIES, FOR MIDDLE SCHOOL PUPILS.

(iii) IDENTIFICATION OF INTEGRATED ACADEMIC AND TECHNICAL CURRICULUM, INCLUDING RELATED PROFESSIONAL DEVELOPMENT TRAINING FOR TEACHERS.

(iv) IDENTIFICATION OF WORK-BASED LEARNING OPPORTUNITIES FOR PUPILS AND FOR TEACHERS AND OTHER SCHOOL PERSONNEL.

(v) IDENTIFICATION OF TESTING AND ASSESSMENTS THAT WILL BE USED TO MEASURE PUPIL ACHIEVEMENT.

(vi) IDENTIFICATION OF ALL FEDERAL, STATE, LOCAL, AND PRIVATE SOURCES OF FUNDING AVAILABLE FOR CAREER PREPARATION PROGRAMS IN THE REGION.

(E) THE EDUCATION ADVISORY GROUP SHALL DEVELOP A 3-YEAR REGIONAL CAREER PREPARATION PLAN AND SUBMIT THE PLAN TO THE DEPARTMENT FOR FINAL APPROVAL. THE SUBMISSION TO THE DEPARTMENT SHALL ALSO INCLUDE STATEMENTS SIGNED BY THE CHAIR OF THE EDUCATION ADVISORY GROUP AND THE CHAIR OF THE LOCAL WORKFORCE DEVELOPMENT BOARD CERTIFYING THAT THE PLAN HAS BEEN REVIEWED BY EACH ENTITY. UPON DEPARTMENT

APPROVAL, ALL ELIGIBLE EDUCATION AGENCIES DESIGNATED IN THE REGIONAL CAREER PREPARATION PLAN AS PART OF THE CAREER PREPARATION DELIVERY SYSTEM ARE ELIGIBLE FOR FUNDING UNDER THIS SECTION.

(3) FUNDING UNDER THIS SECTION SHALL BE DISTRIBUTED TO ELIGIBLE EDUCATION AGENCIES BY THE DEPARTMENT FOR ALLOWABLE COSTS DEFINED IN THIS SUBSECTION AND IDENTIFIED AS NECESSARY COSTS FOR IMPLEMENTING A REGIONAL CAREER PREPARATION PLAN, AS FOLLOWS:

(A) THE DEPARTMENT SHALL RANK ALL CAREER CLUSTERS. RANK DETERMINATION WILL BE BASED ON MEDIAN SALARY DATA IN CAREER CLUSTERS AND EMPLOYMENT OPPORTUNITY DATA PROVIDED BY THE COUNCIL FOR CAREER PREPARATION STANDARDS. IN ADDITION, RANK DETERMINATION SHALL BE BASED ON PLACEMENT DATA AVAILABLE FOR PRIOR YEAR GRADUATES OF THE PROGRAMS IN THE CAREER CLUSTERS EITHER IN RELATED CAREERS OR POSTSECONDARY EDUCATION. THE PROCEDURE FOR RANKING OF CAREER CLUSTERS SHALL BE DETERMINED BY THE DEPARTMENT.

(B) ALLOWABLE COSTS TO BE FUNDED UNDER THIS SECTION SHALL BE DETERMINED BY THE DEPARTMENT. BUDGETS SUBMITTED BY ELIGIBLE EDUCATION AGENCIES TO THE DEPARTMENT IN ORDER TO RECEIVE FUNDING SHALL IDENTIFY FUNDS AND IN-KIND CONTRIBUTIONS FROM THE REGIONAL CAREER EDUCATION PLAN, EXCLUDING FUNDS OR IN-KIND CONTRIBUTIONS AVAILABLE AS A RESULT OF FUNDING RECEIVED UNDER SECTION 61A, EQUAL TO AT LEAST 100% OF ANTICIPATED FUNDING UNDER THIS SECTION. ELIGIBLE CATEGORIES OF ALLOWABLE COSTS ARE THE FOLLOWING:

- (i) CAREER EXPLORATION, GUIDANCE, AND COUNSELING.
- (ii) CURRICULUM DEVELOPMENT, INCLUDING INTEGRATION OF ACADEMIC AND TECHNICAL CONTENT, AND PROFESSIONAL DEVELOPMENT FOR TEACHERS DIRECTLY RELATED TO CAREER PREPARATION.
- (iii) TECHNOLOGY AND EQUIPMENT DETERMINED TO BE NECESSARY.
- (iv) SUPPLIES AND MATERIALS DIRECTLY RELATED TO CAREER PREPARATION PROGRAMS.
- (v) WORK-BASED LEARNING EXPENSES FOR PUPILS, TEACHERS, AND COUNSELORS.
- (vi) EVALUATION, INCLUDING CAREER COMPETENCY TESTING AND PEER REVIEW.
- (vii) CAREER PLACEMENT SERVICES.
- (viii) STUDENT LEADERSHIP ORGANIZATIONS INTEGRAL TO THE CAREER PREPARATION SYSTEM.
- (ix) UP TO 10% OF THE ALLOCATION TO AN ELIGIBLE EDUCATION AGENCY MAY BE EXPENDED FOR PLANNING, COORDINATION, DIRECT OVERSIGHT, AND ACCOUNTABILITY FOR THE CAREER PREPARATION SYSTEM.

(C) THE DEPARTMENT SHALL CALCULATE CAREER PREPARATION COSTS PER FTE FOR EACH CAREER CLUSTER BY DIVIDING THE ALLOWABLE COSTS FOR EACH CAREER CLUSTER BY THE PRIOR YEAR FTE ENROLLMENT FOR EACH CAREER CLUSTER. DISTRIBUTION TO ELIGIBLE EDUCATION AGENCIES SHALL BE THE PRODUCT OF 50% OF CAREER PREPARATION COSTS PER FTE TIMES THE CURRENT YEAR FTE ENROLLMENT OF EACH CAREER CLUSTER. THIS ALLOCATION SHALL BE DISTRIBUTED TO ELIGIBLE EDUCATION AGENCIES IN DECREASING ORDER OF THE CAREER CLUSTER RANKING DESCRIBED IN SUBDIVISION (A) UNTIL THE MONEY ALLOCATED FOR GRANT RECIPIENTS IN THIS SECTION IS DISTRIBUTED. HOWEVER, BEGINNING IN 1999-2000, AN INDIVIDUAL CAREER PREPARATION PROGRAM SHALL NOT BE FUNDED UNDER THIS SECTION, REGARDLESS OF CAREER CLUSTER RANKING, IF IT DOES NOT ATTAIN COMPLIANCE WITH CAREER COMPETENCY STANDARDS SET BY THE COUNCIL FOR CAREER PREPARATION STANDARDS FOR THE PARTICULAR CAREER CLUSTER.

(4) THE DEPARTMENT, IN COLLABORATION WITH THE MICHIGAN JOBS COMMISSION, SHALL ESTABLISH A REVIEW PROCEDURE FOR ASSESSING THE CAREER PREPARATION SYSTEM IN EACH REGION. EACH LOCAL WORKFORCE DEVELOPMENT BOARD SHALL ESTABLISH REGIONAL PEER REVIEW COMMITTEES THAT INCLUDE EMPLOYERS, EDUCATORS, LABOR REPRESENTATIVES, PARENTS, AND REPRESENTATIVES OF THE LOCAL WORKFORCE DEVELOPMENT BOARD NOMINATED BY THE LOCAL WORKFORCE DEVELOPMENT BOARD AND THE EDUCATION ADVISORY GROUP. ALL OF THE FOLLOWING APPLY TO PEER REVIEW COMMITTEES:

(A) PEER REVIEW COMMITTEES ARE RESPONSIBLE FOR ASSURING THE QUALITY OF THE CAREER PREPARATION SYSTEM. A PEER REVIEW COMMITTEE SHALL REVIEW CAREER PREPARATION PROGRAMS TO ENSURE COMPLIANCE WITH CAREER COMPETENCY STANDARDS AS WELL AS OTHER PROGRAM EVALUATION CRITERIA.

(B) A PEER REVIEW COMMITTEE SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS FOR CHANGES TO THE ELIGIBLE EDUCATION AGENCY OPERATING THE CAREER PREPARATION PROGRAM, THE LOCAL WORKFORCE DEVELOPMENT BOARD, THE EDUCATION ADVISORY GROUP RESPONSIBLE FOR REVISING THE REGIONAL CAREER PREPARATION PLAN, AND THE DEPARTMENT.

(C) THE NEXT REVISION OF A REGIONAL CAREER PREPARATION PLAN SHALL TAKE INTO ACCOUNT THE FINDINGS OF A PEER REVIEW COMMITTEE IN ORDER FOR THE AFFECTED EDUCATION AGENCIES TO RECEIVE CONTINUED FUNDING UNDER THIS SECTION.

Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$1,625,000.00 for ~~1996-97~~ 1997-98 for the purposes of subsections (2) and (3).

(2) From the allocation in subsection (1), there is allocated the amount necessary for payments to state supported colleges or universities and intermediate districts providing school bus driver safety instruction or driver skills road tests pursuant to section 51 of the pupil transportation act, ~~Act No. 187 of the Public Acts of 1990, being section 257.1851 of the Michigan Compiled Laws~~ 1990 PA 187, MCL 257.1851. The payments shall be in an amount determined by the department not to exceed 75% of the actual cost of instruction and driver compensation for each public or nonpublic school bus driver attending a course of instruction. For the purpose of computing compensation, the hourly rate allowed each school bus driver shall not exceed the hourly rate received for driving a school bus. Reimbursement compensating the driver during the course of instruction or driver skills road tests shall be made by the department to the college or university or intermediate district providing the course of instruction.

(3) From the allocation in subsection (1), there is allocated the amount necessary to pay the reasonable costs of nonspecial education auxiliary services transportation provided pursuant to section 1323 of the revised school code, ~~being section 380.1323 of the Michigan Compiled Laws~~ MCL 380.1323. Districts funded under this subsection shall not receive funding under any other section of this act for nonspecial education auxiliary services transportation.

Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in section 11, there is allocated for ~~1996-97~~ 1997-98 to the intermediate districts the sum necessary, but not to exceed ~~\$76,676,300.00~~ \$81,266,700.00, to provide state aid to intermediate districts under this subsection and subsections (2) and (3). Except as otherwise provided in this section, there shall be allocated to each intermediate district an amount equal to 102.9% OF THE SUM OF the amount of funding actually received by ~~each intermediate district in 1995-96~~ THE INTERMEDIATE DISTRICT UNDER THIS SUBSECTION IN 1996-97 AND THE AMOUNT OF FUNDING ACTUALLY RECEIVED BY THE INTERMEDIATE DISTRICT UNDER SECTION 11B AS IN EFFECT FOR 1995-1996. Funding provided under this section shall be used to comply with requirements of this act and the revised school code that are applicable to intermediate districts, and for which funding is not provided elsewhere in this act, and to provide technical assistance to districts as authorized by the intermediate school board.

(2) From the allocation in subsection (1), there is allocated to an intermediate district, formed by the consolidation or annexation of 2 or more intermediate districts or the attachment of a total intermediate district to another intermediate school district or the annexation of all of the constituent K-12 districts of a previously existing intermediate school district which has disorganized, an additional allotment of \$3,500.00 each fiscal year for each intermediate district included in the new intermediate district for 3 years following consolidation, annexation, or attachment.

(3) If an intermediate district participated in 1993-94 in a consortium operating a regional educational media center under section 671 of the revised school code, ~~being section 380.671 of the Michigan Compiled Laws~~ MCL 380.671, and rules promulgated by the state board, and if the intermediate district obtains written consent from each of the other intermediate districts that participated in the consortium in 1993-94, the intermediate district may notify the department not later than October 1, 1996 that it is electing to directly receive its payment attributable to participation in that consortium. An intermediate district making that election, and that has obtained the necessary consent, shall receive for ~~1996-97~~ 1997-98 for each pupil in membership in the intermediate district or a constituent district an amount equal to the quotient of the ~~1995-96~~ 1993-94 allocation to the fiscal agent for that consortium under ~~this subsection~~ FORMER SECTION 83, ADJUSTED AS DETERMINED BY THE DEPARTMENT TO ACCOUNT FOR THAT ELECTION, divided by the combined total ~~1996-97~~ 1997-98 membership in all of the intermediate districts that participated in that consortium and their constituent districts. The amount allocated to an intermediate district under this subsection for ~~1996-97~~ 1997-98 shall be deducted from the total allocation for ~~1996-97~~ 1997-98 under this section to the intermediate district that was the 1993-94 fiscal agent for the consortium.

(4) During a fiscal year, the department shall not increase an intermediate district's allocation under subsection (1) because of an adjustment made by the department during the fiscal year in the intermediate district's taxable value for a prior year. Instead, the department shall report the adjustment and the estimated amount of the increase to the house and senate fiscal agencies not later than June 1 of the fiscal year, and the legislature shall appropriate money for the adjustment in the next succeeding fiscal year. ~~Accordingly, in addition to the money allocated under subsection (1), from the appropriation in section 11 there is allocated for 1996-97 an amount not to exceed \$3,500,000.00 for payments to intermediate districts for adjustments in taxable value described in this subsection.~~

(5) In order to receive funding under this section, an intermediate district shall demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in pupil counting procedures, rules, and regulations.

Sec. 94. From the general fund money appropriated in section 11, there is allocated to the department for ~~1996-97~~ 1997-98 an amount not to exceed \$1,500,000.00 to provide technical assistance to districts for school accreditation

purposes as described in section 1280 of the revised school code, ~~being section 380.1280 of the Michigan Compiled Laws~~ MCL 380.1280.

Sec. 99. (1) From the ~~general~~ STATE SCHOOL AID fund appropriation in section 11, there is allocated an amount not to exceed ~~\$7,614,000.00~~ \$7,293,100.00 for ~~1996-97~~ 1997-98, AND FROM THE GENERAL FUND APPROPRIATION IN SECTION 11 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$400,000.00 FOR 1997-98, for implementing the comprehensive master plan for mathematics and science centers developed by the department and approved by the state board on February 17, 1993.

(2) Within a service area designated locally, approved by the department, and consistent with the master plan described in subsection (1), an established mathematics and science center shall address 2 or more of the following 6 basic services, as described in the master plan, to constituent districts and communities: leadership, pupil services, curriculum support, community involvement, professional development, and resource clearinghouse services.

(3) The department shall not award a grant under this section to more than 1 mathematics and science center located in a particular intermediate district unless each of the grants serves a distinct target population or provides a service that does not duplicate another program in the intermediate district.

(4) As part of the technical assistance process, the department shall provide minimum standard guidelines that may be used by the mathematics and science center for providing fair access for qualified pupils and professional staff as prescribed in this section.

(5) Allocations under this section to support the activities and programs of mathematics and science centers shall be continuing support grants to all 25 established mathematics and science centers and the 8 satellite extensions that were funded in ~~1995-96~~ 1996-97. Each established mathematics and science center that was funded in ~~1995-96~~ 1996-97 shall receive an amount equal to 103% OF the amount it received under this section in ~~1995-96~~ 1996-97. ~~The balance of the allocation under this section for 1996-97 shall be distributed by the department to the statewide project "tune in math and science" conducted by Michigan state university.~~

(6) In order to receive funds under this section, a grant recipient shall allow access for the department or the department's designee to audit all records related to the program for which it receives such funds. The grant recipient shall reimburse the state for all disallowances found in the audit.

(7) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT FOR 1997-98 AN AMOUNT NOT TO EXCEED \$145,000.00 FOR A GRANT NOT TO EXCEED THAT AMOUNT TO THE STATEWIDE PROJECT "TUNE IN MATH AND SCIENCE" CONDUCTED BY MICHIGAN STATE UNIVERSITY.

(8) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED \$50,000.00 FOR 1997-98 TO THE UNIVERSITY OF MICHIGAN-DEARBORN TO SERVE AS THE FISCAL AGENT FOR A PLANNING GRANT TO THE MICHIGAN SCIENCE AND TECHNOLOGY MUSEUM COLLABORATIVE. THE COLLABORATIVE, IN CONJUNCTION WITH THE EXISTING MATHEMATICS AND SCIENCE CENTERS, SHALL USE THIS FUNDING TO ASSESS THE MECHANISMS FOR COLLABORATIVE PROGRAM DEVELOPMENT, DELIVERY, AND INFORMATION SHARING. THE COLLABORATIVE SHALL SUBMIT A REPORT ON THIS ASSESSMENT TO THE DEPARTMENT NOT LATER THAN JUNE 30, 1998.

(9) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED \$85,000.00 FOR 1997-98 TO THE SAGINAW VALLEY STATE UNIVERSITY REGIONAL MATHEMATICS AND SCIENCE CENTER TO ESTABLISH A SATELLITE EXTENSION IN THE TUSCOLA INTERMEDIATE SCHOOL DISTRICT.

(10) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED \$250,000.00 FOR 1997-98 TO THE PONTIAC PUBLIC SCHOOLS FOR A PILOT PROGRAM, IN COLLABORATION WITH OAKLAND UNIVERSITY, IN TEACHER LEADERSHIP IN MATHEMATICS EDUCATION.

Sec. 101. (1) To be eligible to receive state aid under this act, not later than the fifth ~~Friday~~ WEDNESDAY after the pupil membership count day and not later than the fifth ~~Friday~~ WEDNESDAY after the supplemental count day, each district superintendent through the secretary of the district's board shall file with the intermediate superintendent a certified and sworn copy of the number of pupils enrolled and in regular daily attendance in the district as of the pupil membership count day and as of the supplemental count day, as applicable, for the current school year. In addition, a district maintaining school during the entire year, as provided under section 1561 of the revised school code, ~~being section 380.1561 of the Michigan Compiled Laws~~ MCL 380.1561, shall file with the intermediate superintendent a certified and sworn copy of the number of pupils enrolled and in regular daily attendance in the district for the current school year pursuant to rules promulgated by the state board. Not later than the seventh ~~Friday~~ WEDNESDAY after the pupil membership count day and not later than the seventh ~~Friday~~ WEDNESDAY after the supplemental count day, the intermediate district shall transmit to the department the data filed by each of its constituent districts. If a district fails to file the sworn and certified copy with the intermediate superintendent in a timely manner, as required under this subsection, the intermediate district shall notify the department and state aid due to be distributed under this act shall be withheld from the defaulting district immediately, beginning with the next payment after the failure and continuing with each payment until the district complies with this subsection. If an intermediate district fails to

transmit the data in its possession in a timely and accurate manner to the department, as required under this subsection, state aid due to be distributed under this act shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If a district or intermediate district does not comply with this subsection by the end of the fiscal year, the district or intermediate district forfeits the amount withheld. A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment shall be punished in the manner prescribed by section 161.

(2) To be eligible to receive state aid under this act, not later than the twenty-fourth ~~Friday~~ WEDNESDAY after the pupil membership count day and not later than the twenty-fourth ~~Friday~~ WEDNESDAY after the supplemental count day, an intermediate district shall submit to the department, in a form and manner prescribed by the department, the audited enrollment and attendance data for the pupils of its constituent districts and of the intermediate district. If an intermediate district fails to transmit the audited data as required under this subsection, state aid due to be distributed under this act shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If an intermediate district does not comply with this subsection by the end of the fiscal year, the intermediate district forfeits the amount withheld.

(3) Each district shall provide the required minimum number of days and hours of pupil instruction under section 1284 of the revised school code, ~~being section 380.1284 of the Michigan Compiled Laws~~ MCL 380.1284. Except as otherwise provided in this act, a district failing to hold the required minimum number of days of pupil instruction shall forfeit from its total state aid allocation for each day of failure an amount determined by applying a ratio of the number of days the district was in noncompliance in relation to the required minimum number of days. Except as otherwise provided in this act, a district failing to comply with the required minimum hours of pupil instruction shall forfeit from its total state aid allocation an amount determined by applying a ratio of the time duration the district was in noncompliance in relation to the required minimum number of hours. A district failing to meet both the minimum number of days of pupil instruction requirement and the minimum number of hours of pupil instruction requirement shall be penalized only the higher of the 2 amounts calculated under the forfeiture provisions of this subsection. Not later than August 1, the board of each district shall certify to the department the number of days and hours of pupil instruction in the previous school year. If the district did not hold at least 180 days and the required minimum number of hours of pupil instruction, the deduction of state aid shall be made in the following fiscal year from the first payment of state school aid. A district is not subject to forfeiture of funds under this subsection for a fiscal year in which a forfeiture was already imposed under subsection (7). Days lost because of strikes or teachers' conferences shall not be counted as days of pupil instruction. A district not having AT LEAST 75% of the district's membership in attendance on any day of pupil instruction shall receive state aid in that proportion of 1 divided by the required minimum number of days of pupil instruction that the actual percent of attendance bears to the specified percentage. The state board shall promulgate rules for the implementation of this subsection.

(4) The first 2 days for which pupil instruction is not provided because of conditions not within the control of school authorities, such as severe storms, fires, epidemics, or health conditions as defined by the city, county, or state health authorities, shall be counted as days of pupil instruction. Subsequent such days shall not be counted as days of pupil instruction.

(5) A district shall not forfeit part of its state aid appropriation ~~if BECAUSE it adopts or has in existence an alternative scheduling program for pupils in kindergarten, which program is approved by the state board~~ IF THE PROGRAM PROVIDES AT LEAST THE NUMBER OF HOURS REQUIRED FOR A FULL-TIME EQUATED MEMBERSHIP FOR A PUPIL IN KINDERGARTEN AS PROVIDED UNDER SECTION 6(4).

(6) Upon application by the district for a particular fiscal year, the state board may waive the minimum number of days of pupil instruction requirement of subsection (3) for a district if the district has adopted an experimental school year schedule in 1 or more buildings in the district if the experimental school year schedule provides the required minimum number or more hours of pupil instruction and is consistent with all state board policies on school improvement and restructuring. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, for the fiscal year covered by the waiver the district is not subject to forfeiture under this section of part of its state aid allocation for the specific building or program covered by the waiver.

(7) Not later than April 15 of each fiscal year, the board of each district shall certify to the department the planned number of days and hours of pupil instruction in the district for the school year ending in the fiscal year. In addition to any other penalty or forfeiture under this section, if at any time the department determines that 1 or more of the following has occurred in a district, the district shall forfeit in the current fiscal year beginning in the next payment to be calculated by the department a proportion of the funds due to the district under this act that is equal to the proportion below the required minimum number of days and hours of pupil instruction, as specified in the following:

(a) The district fails to operate its schools for ~~a minimum of~~ AT LEAST the required minimum number of days and hours of pupil instruction in a school year, including days counted under subsection (4).

(b) The board of the district takes formal action not to operate its schools for ~~a minimum of~~ AT LEAST the required minimum number of days and hours of pupil instruction in a school year, including days counted under subsection (4).

(8) In providing ~~990 hours of instruction for 1996-97~~ THE MINIMUM NUMBER OF HOURS OF PUPIL INSTRUCTION REQUIRED UNDER SECTION 1284 OF THE REVISED SCHOOL CODE, MCL 380.1284, a district shall use the following guidelines, and a district shall maintain records to substantiate its compliance with the following guidelines:

(a) Except as otherwise provided in this subsection, a pupil must be scheduled for ~~990~~ AT LEAST THE REQUIRED MINIMUM NUMBER OF hours of instruction, excluding study halls, or ~~1,080~~ AT LEAST THE SUM OF 90 HOURS PLUS THE REQUIRED MINIMUM NUMBER OF hours of instruction, including up to 2 study halls.

(b) The time a pupil is assigned to any tutorial activity in a block schedule may be considered instructional time, unless that time is determined in an audit to be a study hall period.

(c) A pupil in grades 9 to 12 for whom a reduced schedule is determined to be in the INDIVIDUAL pupil's best educational interest must be scheduled for a ~~minimum of 770~~ NUMBER OF HOURS EQUAL TO AT LEAST 80% OF THE REQUIRED MINIMUM NUMBER OF hours of pupil instruction to be considered a full-time equivalent pupil.

(d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program or a special education pupil cannot receive ~~990~~ THE REQUIRED MINIMUM NUMBER OF hours of pupil instruction solely because of travel time between instructional sites during the school day, that travel time, up to a maximum of 2 1/2 hours per school week, shall be considered to be pupil instruction time for the purpose of determining whether the pupil is receiving ~~990~~ THE REQUIRED MINIMUM NUMBER OF hours of pupil instruction. However, if a district demonstrates to the satisfaction of the department that the travel time limitation under this subdivision would create undue costs or hardship to the district, the department may consider more travel time to be pupil instruction time for this purpose.

(9) The department shall apply the guidelines under subsection (8) in calculating the full-time equivalency of pupils.

(10) Upon application by the district for a particular fiscal year, the state board may waive for a district the minimum number of days and hours of pupil instruction requirement of subsection (3) for a department-approved alternative education program. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, for the fiscal year covered by the waiver the district is not subject to forfeiture under this section for the specific program covered by the waiver.

Sec. 107. (1) From the appropriation in section 11, there is allocated for ~~1996-97~~ 1997-98 an amount not to exceed \$80,000,000.00 for adult education programs authorized under this section.

(2) To be eligible to be a participant funded under this section, a person shall be enrolled in an adult basic education program, an adult English as a second language program, a general education development (G.E.D.) test preparation program, a job or employment related program, or a high school completion program, that meets the requirements of this section, and shall meet either of the following, as applicable:

(a) If the individual has obtained a high school diploma or a general education development (G.E.D.) certificate, the individual meets 1 of the following:

(i) Is less than 20 years of age on September 1 of the school year and is enrolled in the state technical institute and rehabilitation center.

(ii) Is less than 20 years of age on September 1 of the school year, is not attending an institution of higher education, and is enrolled in a job or employment related program through a referral by an employer.

(iii) Is enrolled in an English as a second language program for a maximum of 1 year of instruction.

(iv) Is enrolled in a high school completion program. ~~and obtained his or her G.E.D. certificate between October 1, 1993 and October 1, 1996.~~

(b) If the individual has not obtained a high school diploma or G.E.D. certificate, is at least 20 years of age on September 1 of the school year.

~~(3) From the amount allocated under subsection (1), an amount not to exceed \$20,000,000.00 shall be allocated under this subsection through a competitive grant process. A district, intermediate district, consortium of districts, or consortium of an intermediate district and 1 or more districts may apply on a competitive basis for an adult education grant under this subsection and section 108. The application may be to operate a single adult education program described in subsection (6), (7), (8), or (9) or a combination of those adult education programs. To receive funding, a consortium shall designate a single district or intermediate district as fiscal agent for the consortium.~~

~~(3) (4) From the THE amount allocated under subsection (1), an amount not to exceed \$60,000,000.00 shall be allocated under this subsection to~~ SHALL BE DISTRIBUTED AS FOLLOWS:

(A) FOR districts and consortia that received payments for 1995-96 under former section 107f, ~~THE~~ AND THAT RECEIVED PAYMENTS FOR 1996-97 UNDER SUBSECTION (4) OF THIS SECTION AS IN EFFECT IN 1996-97, THE amount allocated to each of these districts and consortia for 1996-97 under this subsection FOR 1997-98 shall be an amount equal to ~~32.43%~~ 36.76% of the amount the district or consortium received for 1995-96 under former section 107f.

(B) FOR DISTRICTS AND CONSORTIA THAT RECEIVED PAYMENTS UNDER SUBSECTION (3) OF THIS SECTION AS IN EFFECT FOR 1996-97, THE AMOUNT ALLOCATED TO EACH FOR 1997-98 SHALL BE AN AMOUNT EQUAL TO THE PRODUCT OF THE NUMBER OF FULL-TIME EQUATED PARTICIPANTS ACTUALLY ENROLLED AND IN ATTENDANCE DURING THE 1996-97 SCHOOL FISCAL YEAR IN THE

PROGRAM FUNDED UNDER SUBSECTION (3) OF THIS SECTION AS IN EFFECT FOR 1996-97 AS REPORTED TO THE DEPARTMENT, AUDITED, AND ADJUSTED ACCORDING TO SUBSECTION (10) OF THIS SECTION AS IN EFFECT FOR 1996-97, MULTIPLIED BY \$2,750.00.

(C) FOR DISTRICTS AND CONSORTIA THAT MEET THE CONDITIONS OF BOTH SUBDIVISIONS (A) AND (B), THE AMOUNT ALLOCATED FOR 1997-98 SHALL BE THE SUM OF THE ALLOCATIONS TO THE DISTRICT OR CONSORTIUM UNDER SUBDIVISIONS (A) AND (B).

(D) A DISTRICT OR CONSORTIUM THAT RECEIVED FUNDING IN 1996-97 UNDER THIS SECTION AS IN EFFECT FOR 1996-97 MAY OPERATE INDEPENDENTLY OF A CONSORTIUM OR JOIN OR FORM A CONSORTIUM FOR 1997-98. THE ALLOCATION FOR 1997-98 TO THE DISTRICT OR THE NEWLY FORMED CONSORTIUM UNDER THIS SUBSECTION SHALL BE DETERMINED BY THE DEPARTMENT AND SHALL BE BASED ON THE PROPORTION OF THE AMOUNTS SPECIFIED IN SUBDIVISION (A) OR (B), OR BOTH, THAT ARE ATTRIBUTABLE TO THE DISTRICT OR CONSORTIUM THAT RECEIVED FUNDING IN 1996-97. A DISTRICT OR CONSORTIUM DESCRIBED IN THIS SUBDIVISION SHALL NOTIFY THE DEPARTMENT OF ITS INTENTION WITH REGARD TO 1997-98 BY OCTOBER 1, 1997.

(4) A district that operated an adult education program in ~~1995-96~~ 1996-97 and does not intend to operate a program in ~~1996-97~~ 1997-98 shall notify the department by October 1, ~~1996~~ 1997 of its intention. The funds intended to be allocated under this section to a district that ~~so notifies the department~~ DOES NOT OPERATE A PROGRAM IN 1997-98 AND THE UNSPENT FUNDS ORIGINALLY ALLOCATED UNDER THIS SECTION TO A DISTRICT OR CONSORTIUM THAT SUBSEQUENTLY OPERATES A PROGRAM AT LESS THAN THE LEVEL OF FUNDING ALLOCATED UNDER SUBSECTION (3) shall instead be proportionately reallocated to the other districts in this state DESCRIBED IN SUBSECTION (3)(A) that are operating an adult education program in ~~1996-97~~ 1997-98 under this ~~subsection~~ SECTION.

(5) The amount allocated under this section per full-time equated participant is ~~\$2,750.00~~ \$2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a program offering less than 450 hours of instruction.

(6) An adult basic education program or an adult English as a second language program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who are determined by an appropriate assessment to be below ninth grade level in reading or mathematics, or both, or to lack basic English proficiency.

(b) The program tests individuals for eligibility under subdivision (a) before enrollment and tests participants to determine progress after every 90 hours of attendance, using assessment instruments approved by the department.

(c) A participant in an adult basic education program is eligible for reimbursement until ~~the~~ 1 OF THE FOLLOWING OCCURS:

(i) THE participant's reading ~~or~~ AND mathematics proficiency, ~~or both, is~~ ARE assessed at or above the ninth grade level. ~~or until the~~

(ii) THE participant ~~completes 450 hours of instruction, whichever occurs first~~ FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE ASSESSMENTS AFTER HAVING COMPLETED AT LEAST 450 HOURS OF INSTRUCTION.

(d) A funding recipient enrolling a participant in an English as a second language program is eligible for funding according to subsection (10) until the participant MEETS 1 OF THE FOLLOWING:

(i) THE PARTICIPANT is assessed as having attained basic English proficiency. ~~or until the participant completes 450 hours of instruction, whichever occurs first.~~

(ii) THE PARTICIPANT FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE ASSESSMENTS AFTER HAVING COMPLETED AT LEAST 450 HOURS OF INSTRUCTION. THE DEPARTMENT SHALL PROVIDE INFORMATION TO A FUNDING RECIPIENT REGARDING APPROPRIATE ASSESSMENT INSTRUMENTS FOR THIS PROGRAM.

(7) A general education development (G.E.D.) test preparation program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program shall administer a G.E.D. pre-test approved by the department before enrolling an individual to determine the individual's potential for success on the G.E.D. test, and shall ~~periodically~~ administer other tests after ~~enrollment~~ EVERY 90 HOURS OF ATTENDANCE to determine a participant's readiness to take the G.E.D. test.

(c) A funding recipient shall receive funding according to subsection (10) for a participant, ~~who passes the G.E.D. test and obtains a G.E.D. certificate or for a participant who completes 450 hours of instruction.~~ A AND A participant may be enrolled in the program until ~~he or she~~ 1 OF THE FOLLOWING OCCURS:

(i) THE PARTICIPANT passes the G.E.D. test. ~~or completes 450 hours of instruction, whichever occurs first.~~

(ii) THE PARTICIPANT FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE TESTS USED TO DETERMINE READINESS TO TAKE THE G.E.D. TEST AFTER HAVING COMPLETED AT LEAST 450 HOURS OF INSTRUCTION.

(8) A high school completion program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

~~(b) The funding recipient shall evaluate the participant's transcript to determine if the individual could complete the requirements for a high school diploma within the time limit of 900 hours of instruction. If the funding recipient determines that an applicant would not be able to earn a diploma within the time limits described in subdivision (a), the funding recipient shall inform the individual about the G.E.D. test preparation program described in subsection (7) and about the tuition requirements under subsection (13) for a person who is not eligible to be funded in the program.~~

(B) ~~(c)~~ A funding recipient shall receive funding according to subsection (10) for a participant in a course offered under this subsection until ~~the~~ 1 OF THE FOLLOWING OCCURS:

(i) THE participant passes the course and earns a high school diploma. ~~or the~~

(ii) THE participant ~~completes 900 hours of instruction, whichever occurs first~~ FAILS TO EARN CREDIT IN 2 SUCCESSIVE SEMESTERS OR TERMS IN WHICH THE PARTICIPANT IS ENROLLED AFTER HAVING COMPLETED AT LEAST 900 HOURS OF INSTRUCTION.

(9) A job or employment-related adult education program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults referred by their employer who are less than 20 years of age, have a high school diploma, are determined to be in need of remedial mathematics or communication arts skills, and are not attending an institution of higher education.

(b) An individual may be enrolled in this program and the grant recipient shall receive funding according to subsection (10) until ~~the person~~ 1 OF THE FOLLOWING OCCURS:

(i) THE INDIVIDUAL achieves the requisite skills as determined by appropriate assessment instruments, ~~or the person completes 450 hours of instruction, whichever occurs first~~ ADMINISTERED AT LEAST AFTER EVERY 90 HOURS OF ATTENDANCE.

(ii) THE INDIVIDUAL FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE ASSESSMENTS AFTER HAVING COMPLETED AT LEAST 450 HOURS OF INSTRUCTION. THE DEPARTMENT SHALL PROVIDE INFORMATION TO A FUNDING RECIPIENT REGARDING APPROPRIATE ASSESSMENT INSTRUMENTS FOR THIS PROGRAM.

(10) A funding recipient shall receive payments under this section in accordance with the following:

(a) Ninety percent for enrollment of eligible participants.

(b) Ten percent for completion of the adult basic education objectives by achieving an ~~eight~~ INCREASE OF AT LEAST 1 grade level of proficiency in reading or mathematics; for achieving basic English proficiency; for passage of the G.E.D. test; for passage of a course required for a participant to attain a high school diploma; or for completion of the course and demonstrated proficiency in the academic skills to be learned in the course, as applicable.

~~(11) Funding allocated under subsection (3) for the 1996-97 fiscal year shall be considered funding for the first year of an approved 3 year program, and a program receiving funding under subsection (3) for 1996-97 shall not be required to apply again for the remainder of the 3 year period, unless the program is substantially revised. Not later than September 1 of each year, the department shall assess the success of each program operating with subsection (3) funding in the prior school fiscal year. Programs operating in the third year of the 3 year program shall be evaluated not later than December 15 of that year to determine whether renewal of the current 3 year program is recommended or revision of the existing program is necessary for the district or intermediate district to be eligible for funding under subsection (3) in the subsequent 3 year period.~~

(11) ~~(12)~~ As used in this section, "participant" means the ~~average~~ SUM OF THE number of full-time equated individuals enrolled in and attending a department-approved adult education program under this section, using quarterly participant count days on the schedule described in section 6(7)(b).

(12) ~~(13)~~ A person who is not eligible to be a participant funded under this section may receive adult education services upon the payment of tuition. In addition, a person who is not eligible to be served in a program under this section due to the program limitations specified in subsection (6), (7), (8), or (9) may continue to receive adult education services in that program upon the payment of tuition. The tuition level shall be determined by the local or intermediate district conducting the program.

(13) ~~(14)~~ An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section.

(14) ~~(15) It is the intent of the legislature that the appropriations under this act for the 1997-98 state fiscal year will include \$80,000,000.00 to support adult education programs for that fiscal year, and that, of that \$80,000,000.00 allocation, \$40,000,000.00 will be allocated for competitive grants as described in subsection (3) and \$40,000,000.00 will be allocated for prorated distributions similar to that described in subsection (4). The department shall accept applications for the 1997-98 competitive grants submitted by March 1, 1997, according to the procedures and requirements specified in section 108, and shall identify prospective 1997-98 grant recipients by April 1, 1997. Not later than February 1, 1997, the department shall provide to the senate and house appropriations subcommittees responsible for state school aid appropriations for their approval the department's proposed method of providing regional distribution of 1997-98 adult education competitive grants. A DISTRICT SHALL NOT COMMINGLE MONEY RECEIVED UNDER THIS SECTION OR FROM ANOTHER SOURCE FOR ADULT EDUCATION~~

PURPOSES WITH ANY OTHER FUNDS OF THE DISTRICT. A DISTRICT RECEIVING ADULT EDUCATION FUNDS SHALL ESTABLISH A SEPARATE LEDGER ACCOUNT FOR THOSE FUNDS. THIS SUBSECTION DOES NOT PROHIBIT A DISTRICT FROM USING GENERAL FUNDS OF THE DISTRICT TO SUPPORT AN ADULT EDUCATION OR COMMUNITY EDUCATION PROGRAM.

(15) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00 FOR A GRANT TO FOCUS: HOPE FOR A FAST-TRACK ADULT EDUCATION PROGRAM.

Sec. 111. A district having tuition pupils enrolled on the pupil membership count day of each year may charge the district ~~in which the tuition pupils reside~~ OF RESIDENCE an amount for tuition that does not exceed the tuition rate computed under section 1401 of the revised school code, ~~being section 380.1401 of the Michigan Compiled Laws~~ MCL 380.1401. THE RATE CHARGED BY A DISTRICT SHALL BE UNIFORM WITHIN EACH CATEGORY OF TUITION PUPILS ENROLLED IN THE DISTRICT. However, ~~a district shall not charge tuition for a tuition pupil enrolled in the district who resides in a K-5, K-6, or K-8 district and who is enrolled in a grade not offered by the pupil's district of residence, in an amount that exceeds~~ THE TUITION RATE CHARGED TO THE PUPIL'S DISTRICT OF RESIDENCE SHALL NOT EXCEED the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district, whichever is greater. ~~The rate charged by a district for tuition shall be uniform within each category of tuition pupils enrolled in the district.~~

SEC. 112. A DISTRICT RECEIVING FUNDS UNDER THIS ACT SHALL NOT CHARGE TUITION OR ANY OTHER FEE FOR FULL-DAY KINDERGARTEN FOR A PUPIL WHO IS ELIGIBLE TO ENROLL IN THE DISTRICT.

Sec. 124. (1) If taxes levied for operating purposes against property constituting at least 5% of the valuation of a district are paid under protest and, therefore, are unavailable to the district, the total valuation of the district for the purposes of this act shall be reduced by the valuation of the property. The credits so obtained by a district in the calculation of payments to the district under this act shall remain a lien against the district and shall be paid by the district to the school aid fund when the taxes are collected.

(2) If taxes levied for operating purposes against property constituting at least 5% of the valuation of a district are not paid by a single bankrupt debtor that files for reorganization under chapter 11 of title 11 of the United States code CODE, 11 U.S.C. 1101 to 1174, and, therefore, are unavailable to the district, the total valuation of the district for the purposes of this act shall be reduced by the valuation of the property. The credits so obtained by a district in the calculation of payments to the district under this act shall remain a lien against the district and shall be paid by the district to the school aid fund when the taxes are collected. This subsection shall be implemented upon verification by the department that the district has taken proper action to attempt to secure payment of taxes by the bankrupt debtor.

~~(3) If taxes levied for operating purposes against property constituting at least 4% of the valuation of a district are not paid by a single bankrupt debtor that files for reorganization under chapter 11 of title 11 of the United States code, 11 U.S.C. 1101 to 1174, and, therefore, were unavailable to the district during the 1988-91 school years, the total valuation of the district for the purposes of this act shall be reduced by the valuation of the property. The credits so obtained by a district in the calculation of payments to the district under this act shall remain a lien against the district and shall be paid by the district to the school aid fund when the taxes are collected. This subsection shall be implemented upon verification by the department that the district has taken proper action to attempt to secure payment of taxes by the bankrupt debtor.~~

Sec. 147. (1) The allocations for ~~1996-97~~ 1997-98 for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, ~~Act No. 300 of the Public Acts of 1980, being sections 38.1301 to 38.1408 of the Michigan Compiled Laws~~ 1980 PA 300, MCL 38.1301 TO 38.1467, shall be made using the entry age normal cost actuarial method and risk assumptions adopted by the public school employees retirement board and the department of management and budget. The annual level percentage of payroll contribution rate estimated for the ~~1996-97~~ 1997-98 state fiscal year is ~~15.15%~~ 14.66%. The portion of the contribution rate assigned to districts and intermediate districts for the ~~1996-97~~ 1997-98 state fiscal year is all of the total ~~15.15~~ 14.66 percentage points. This contribution rate reflects ~~the first year of a reduction over 3 years in the AN amortization period described in section 41(2) of Act No. 300 of the Public Acts of 1980, being section 38.1341 of the Michigan Compiled Laws, from 50 years to 40 OF 39 years. Beginning with the 1999-2000 fiscal year, the contribution rate shall be changed each fiscal year to reflect a reduction over 7 years in that amortization period from 40 years to 30 years.~~ The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

(2) It is the intent of the legislature that the amortization period described in section 41(2) of ~~Act No. 300 of the Public Acts of 1980, being section 38.1341 of the Michigan Compiled Laws~~ THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341, be reduced to ~~40 years by the end of the 1998-99 state fiscal year and further reduced to 30 years by the end of the 2005-2006 state fiscal year~~ BY REDUCING THE AMORTIZATION PERIOD BY NOT MORE THAN 1 YEAR EACH FISCAL YEAR.

Sec. 151. (1) ~~Annually, the~~ THE treasurer of each county shall furnish to the department, ON OR before August 1 OF EACH YEAR following the receipt of assessment rolls, a statement of the taxable value of each district and fraction of a district within the county, ~~and shall furnish to the department on October 1 or the next business day of each year a statement of the taxable value of each class of property of each district and fraction of a district within the county, on~~ USING forms furnished by the department. ON OR BEFORE MAY 1 OF EACH YEAR, THE TREASURER OF EACH COUNTY SHALL SUBMIT TO THE DEPARTMENT REVISIONS TO THE TAXABLE VALUE FOR THE IMMEDIATELY PRECEDING YEAR OF EACH DISTRICT AND FRACTION OF A DISTRICT WITHIN THE COUNTY, USING FORMS FURNISHED BY THE DEPARTMENT. ON OR BEFORE OCTOBER 1 OF EACH YEAR, THE TREASURER OF EACH COUNTY SHALL SUBMIT TO THE DEPARTMENT REVISIONS TO THE TAXABLE VALUE FOR THE 2 IMMEDIATELY PRECEDING YEARS OF EACH DISTRICT AND FRACTION OF A DISTRICT WITHIN THE COUNTY, USING FORMS FURNISHED BY THE DEPARTMENT. THE REPORTS REQUIRED BY THIS SUBSECTION SHALL ALSO CONTAIN THE AMOUNT OF AD VALOREM TAXABLE VALUE CAPTURED FOR SCHOOL OPERATING TAXES UNDER A TAX INCREMENT FINANCING PLAN UNDER 1975 PA 197, MCL 125.1651 TO 125.1681, THE TAX INCREMENT FINANCE AUTHORITY ACT, 1980 PA 450, MCL 125.1801 TO 125.1830, THE LOCAL DEVELOPMENT FINANCING ACT, 1986 PA 281, MCL 125.2151 TO 125.2174, OR THE BROWNFIELD REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2651 TO 125.2672.

(2) ~~The NOT LATER THAN THE TENTH DAY OF EACH MONTH, THE tax tribunal created by the tax tribunal act, Act No. 186 of the Public Acts of 1973, being sections 205.701 to 205.779 of the Michigan Compiled Laws 1973 PA 186, MCL 205.701 TO 205.779, shall accumulate any changes in taxable value of each district and intermediate district and report the cumulative change in taxable value before the fourth Friday of each month to the department, the department of treasury, the department of management and budget, and the house and senate fiscal agencies~~ REPORT TO THE DEPARTMENT THE CHANGES IN TAXABLE VALUE FOR TAX YEARS AFTER 1993 THAT ARE NOT REPORTED TO THE DEPARTMENT UNDER SUBSECTION (1) AND THAT ARE CAUSED BY TAX TRIBUNAL DECISIONS IN THE IMMEDIATELY PRECEDING MONTH FOR HOMESTEAD AND QUALIFIED AGRICULTURAL PROPERTY, AS DEFINED IN SECTION 1211 OF THE REVISED SCHOOL CODE, MCL 380.1211, AND FOR PROPERTY THAT IS NOT HOMESTEAD OR QUALIFIED AGRICULTURAL PROPERTY, IN EACH DISTRICT AND INTERMEDIATE DISTRICT. THE REPORT SHALL ALSO CONTAIN THE AMOUNT OF TAXABLE VALUE CAPTURED UNDER A TAX INCREMENT FINANCING PLAN DESCRIBED IN SUBSECTION (1) FOR SCHOOL OPERATING TAX PURPOSES.

SEC. 166D. (1) FUNDS APPROPRIATED UNDER THIS ACT SHALL NOT BE EXPENDED TO PROVIDE HEALTH CARE COVERAGE FOR DISTRICT OR INTERMEDIATE DISTRICT EMPLOYEES OR THEIR DEPENDENTS FOR ABORTION SERVICES, OTHER THAN FOR SPONTANEOUS ABORTION OR TO PREVENT THE DEATH OF THE WOMAN UPON WHOM THE ABORTION IS PERFORMED, IF THOSE SERVICES ARE NOT REQUIRED BY A COLLECTIVE BARGAINING AGREEMENT.

(2) A DISTRICT OR INTERMEDIATE DISTRICT SHALL NOT APPROVE A COLLECTIVE BARGAINING AGREEMENT WHICH INCLUDES HEALTH CARE COVERAGE FOR ABORTION SERVICES OTHER THAN SPONTANEOUS ABORTION OR TO PREVENT THE DEATH OF THE WOMAN UPON WHOM THE ABORTION IS PERFORMED. THIS SECTION SHALL NOT PROHIBIT A HEALTH CARE BENEFIT PROGRAM WHICH PROVIDES FOR AN EMPLOYEE-PAID RIDER PROVIDING COVERAGE FOR ABORTION SERVICES.

(3) IF A DISTRICT OR INTERMEDIATE DISTRICT EXPENDS FUNDS IN VIOLATION OF THIS SECTION, THE DISTRICT OR INTERMEDIATE DISTRICT SHALL FORFEIT 5% OF THE TOTAL STATE SCHOOL AID FOR THAT DISTRICT OR INTERMEDIATE DISTRICT.

SEC. 166E. BEFORE ENTERING INTO A CONTRACT IN AN AMOUNT IN EXCESS OF \$15,000.00 FOR ANY MATERIALS, SUPPLIES, OR EQUIPMENT OR A CONTRACT IN AN AMOUNT IN EXCESS OF \$15,000.00 FOR CONSTRUCTION OF A NEW BUILDING, OR ADDITION TO OR REPAIR OR RENOVATION OF AN EXISTING BUILDING, THE BOARD OF A DISTRICT ORGANIZED AS A SCHOOL DISTRICT OF THE FIRST CLASS UNDER PART 6 OF THE REVISED SCHOOL CODE, MCL 380.401 TO 380.485, OR ANY OTHER PURCHASING AUTHORITY WITHIN A DISTRICT ORGANIZED AS A SCHOOL DISTRICT OF THE FIRST CLASS, SHALL OBTAIN SEALED COMPETITIVE BIDS, AND THE DISTRICT SHALL AWARD SUCH A CONTRACT USING THIS COMPETITIVE BID PROCESS. THIS SECTION DOES NOT PROHIBIT A DISTRICT FROM MAKING A PUBLIC REQUEST FOR PROPOSALS BEFORE REQUESTING BIDS AND DOES NOT PROHIBIT A DISTRICT FROM AWARDED A CONTRACT BASED ON A COMBINATION OF PRICE, QUALITY, AND SERVICE FACTORS. A SCHOOL OFFICIAL OR MEMBER OF A SCHOOL BOARD OR OTHER PERSON WHO NEGLECTS OR REFUSES TO DO OR PERFORM AN ACT REQUIRED BY THIS SECTION, OR WHO VIOLATES OR KNOWINGLY PERMITS OR CONSENTS TO A VIOLATION OF THIS SECTION, IS GUILTY OF A MISDEMEANOR PUNISHABLE BY A FINE OF NOT MORE THAN \$500.00, OR IMPRISONMENT FOR NOT MORE THAN 3 MONTHS, OR BOTH.

Sec. 167. (1) The department in cooperation with the department of community health shall develop plans to assist districts and intermediate districts and local county health departments to comply with section 1177 of the revised school code, ~~being section 380.1177 of the Michigan Compiled Laws~~ MCL 380.1177, and section 9209 of the public health code, ~~Act No. 368 of the Public Acts of 1978, being section 333.9209 of the Michigan Compiled Laws~~ 1978 PA 368, MCL 333.9209, for each school year.

(2) ~~In 1996-97, each~~ EACH district or intermediate district shall report to the local health department in which it is located by November 1, ~~1996~~ OF EACH FISCAL YEAR, in a manner prescribed by the department of community health, the immunization status of each pupil in grades K through 12 who enrolled in the district or intermediate district for the first time between January 1, ~~1996~~ and September 30, ~~1996~~ OF THE IMMEDIATELY PRECEDING FISCAL YEAR. Not later than December 31, ~~1996~~ OF EACH FISCAL YEAR, the department of community health shall notify the department by district or intermediate district of the percentage of entering pupils who do not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177. If a district or intermediate district does not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177, for at least 90% of the district's or intermediate district's entering pupils as recorded in the November 1 reports required under this subsection, the district or intermediate district is subject to subsection (4) until the district or intermediate district has such an immunization record for at least 90% of its pupils.

(3) ~~In 1996-97, each~~ EACH district or intermediate district shall again report to the local health department in which it is located by February 1, ~~1997~~ OF EACH FISCAL YEAR, in a manner prescribed by the department of community health, the immunization status of each pupil in grades K through 12 who enrolled in the district or intermediate district for the first time between January 1, ~~1996~~ OF THE IMMEDIATELY PRECEDING FISCAL YEAR and December 31, ~~1996~~ OF THE CURRENT FISCAL YEAR. Not later than March 31, ~~1997~~ OF EACH FISCAL YEAR, the department of community health shall notify the department by district or intermediate district of the percentage of entering pupils who do not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177. If a district or intermediate district does not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177, for at least 95% of the district's or intermediate district's entering pupils as recorded in the February 1, ~~1997~~ reports required under this subsection, the district or intermediate district is subject to subsection (4) until the district or intermediate district has such an immunization record for at least 95% of its pupils. If the department of community health is not able to report to the department by March 31, ~~1997~~, because a district or intermediate district fails to submit a report as required in this subsection, or submits an incomplete, inaccurate, or late report, the district or intermediate district is subject to subsection (4) until the report is submitted in a complete and accurate form.

(4) If a district or intermediate district does not comply with this section, the department shall withhold 5% of the total funds due to the district or intermediate district under this act after the date the department of community health reports a district's or intermediate district's noncompliance with this section to the department until the district or intermediate district complies with this section. If the district or intermediate district does not comply with this section by the end of the fiscal year, the district or intermediate district forfeits the total amount withheld.

Sec. 169a. (1) A board member, official, or employee of a district or intermediate district shall not interfere with the right or ability of the Michigan ~~school~~ SCHOOLS for the deaf and blind to provide information about the residential program among parents and guardians of pupils or residents of the district or intermediate district.

(2) Upon determining that a pupil is deaf or hard of hearing, a district or intermediate district shall provide to the pupil's parent or legal guardian information, provided by the Michigan coalition for deaf and hard of hearing persons, on educational placement options for deaf and hard of hearing children.

(3) UPON DETERMINING THAT A PUPIL IS BLIND, A DISTRICT OR INTERMEDIATE DISTRICT SHALL PROVIDE TO THE PUPIL'S PARENT OR LEGAL GUARDIAN INFORMATION, PROVIDED BY THE MICHIGAN FEDERATION FOR THE BLIND, ON EDUCATIONAL PLACEMENT OPTIONS FOR BLIND CHILDREN.

Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 1997-98 is estimated at \$9,148,935,400.00 and state appropriations to be paid to local units of government for fiscal year 1997-98 are estimated at \$9,139,493,200.00.

Enacting section 2. The following acts and parts of acts are repealed:

(a) Sections 11b, 20h, 20i, 95, and 108 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611b, 388.1620h, 388.1620i, 388.1695, and 388.1708.

(b) The career education act, 1974 PA 97, MCL 388.1311 to 388.1319.

Enacting section 3. (1) Except as otherwise provided in subsection (2), this amendatory act takes effect October 1, 1997.

(2) Section 6 of the state school aid act of 1979, 1979 PA 94, MCL 388.1606, as amended by this amendatory act, and sections 31c, 67, and 68 of the state school aid act of 1979, 1979 PA 94, as added by this amendatory act, take effect upon enactment of this amendatory act.

Third: That the House and Senate agree to the title of the bill to read as follows:

A bill to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to prescribe penalties; and to repeal certain acts and parts of acts," by amending sections 3, 6, 6a, 11, 17b, 20, 20c, 20d, 23, 24, 25, 26, 31a, 36, 39, 41, 51a, 52, 53a, 54, 56, 57, 58, 61a, 62, 74, 81, 94, 99, 101, 107, 111, 124, 147, 151, 167, and 169a (MCL 388.1603, 388.1606, 388.1606a, 388.1611, 388.1617b, 388.1620, 388.1620c, 388.1620d, 388.1623, 388.1624, 333.1625, 388.1626, 388.1631a, 388.1636, 388.1639, 388.1641, 388.1651a, 388.1652, 388.1653a, 388.1654, 388.1656, 388.1657, 388.1658, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694, 388.1699, 388.1701, 388.1707, 388.1711, 388.1724, 388.1747, 388.1751, 388.1767, and 388.1769a), sections 3, 6, 17b, 20c, 20d, 23, 24, 36, 39, 41, 52, 54, 56, 57, 58, 61a, 62, 74, 81, 94, 101, 111, 147, and 167 as amended and sections 25, 51a, 53a, and 169a as added by 1996 PA 300, sections 6a, 124, and 151 as amended by 1995 PA 130, sections 11, 20, 31a, 99, and 107 as amended by 1997 PA 24, and section 26 as amended by 1994 PA 283, and by adding sections 20k, 26a, 31b, 31c, 67, 68, 112, 166d, and 166e; and to repeal acts and parts of acts.

Bob Emerson
Thomas Kelly
Conferees for the House

Dan L. DeGrow
John Schwarz
Joe Conroy
Conferees for the Senate

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Messages from the Senate

House Bill No. 4642, entitled

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 4a (MCL 205.54a), as amended by 1996 PA 435.

The Senate has substituted (S-8) the bill.

The Senate has passed the bill as substituted (S-8), ordered that it be given immediate effect and amended the title to read as follows:

A bill to amend 1933 PA 167, entitled "An act to provide for the raising of additional public revenue by prescribing certain specific taxes, fees, and charges to be paid to the state for the privilege of engaging in certain business activities; to provide, incident to the enforcement thereof, for the issuance of licenses to engage in such occupations; to provide for the ascertainment, assessment and collection thereof; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act," by amending sections 4a and 6a (MCL 205.54a and 205.56a), section 4a as amended by 1996 PA 435 and section 6a as amended by 1993 PA 325.

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

House Bill No. 4643, entitled

A bill to amend 1937 PA 94, entitled "Use tax act," by amending section 4 (MCL 205.94), as amended by 1996 PA 436.

The Senate has substituted (S-5) the bill.

The Senate has passed the bill as substituted (S-5), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title of the bill.

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

Senate Bill No. 225, entitled

A bill to amend 1984 PA 431, entitled "The management and budget act," (MCL 18.1101 to 18.1594) by adding section 353d.

The Senate has amended the House amendment as follows:

1. Amend House Amendment No. 3, page 2, line 15, after "FUND," by striking out the balance of the amendment and inserting "AND SHALL BE USED ONLY FOR IMPROVEMENTS ON FEDERAL AID ROADS AS APPROVED BY THE STATE TRANSPORTATION DEPARTMENT."

The Senate has concurred in the House amendment as amended, ordered that the bill be given immediate effect and agreed to the full title of the bill.

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

Senate Bill No. 303, entitled

A bill to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal certain acts and parts of acts," by amending sections 10, 11, 11c, 12, and 13 (MCL 247.660, 247.661, 247.661c, 247.662, and 247.663), as amended by 1993 PA 294, and by adding sections 1g and 1h.

The Senate has passed the bill and ordered that it be given immediate effect.

The bill was referred to the order of Second Reading of Bills.

House Bill No. 4522, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 82113 (MCL 324.82113), as added by 1995 PA 58.

The Senate has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title of the bill.

The House agreed to the full title of the bill.

The bill was referred to the Clerk for enrollment printing and presentation to the Governor.

Senate Bill No. 208, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 30 (MCL 206.30), as amended by 1996 PA 484.

The Senate has passed the bill and ordered that it be given immediate effect.

The bill was referred to the order of Second Reading of Bills.

Rep. Jelinek moved that the House adjourn.

The motion prevailed, the time being 11:59 p.m.

The Speaker declared the House adjourned until Thursday, July 10, at 10:00 a.m.

MARY KAY SCULLION
Clerk of the House of Representatives.