

HOUSE BILL NO. 4887

September 03, 2019, Introduced by Rep. Albert and referred to the Committee on Local Government and Municipal Finance.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending section 56 (MCL 388.1656), as amended by 2018 PA 265,
and by adding section 51e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 51e. (1) It is the intent of the legislature, beginning
2 in 2022-2023, to allocate an amount necessary for payments to
3 reimburse the districts constituent to an eligible intermediate



1 district and an eligible intermediate district for 1% of total
2 approved costs of special education excluding costs reimbursed
3 under section 53a.

4 (2) As used in this section:

5 (a) "Eligible intermediate district" means an intermediate
6 district that has a local special education revenue of at least
7 \$690.00 per membership pupil.

8 (b) "Local special education revenue" means the taxable value
9 behind each membership pupil for the 2018-2019 fiscal year, as
10 calculated by the department for the purposes of section 56,
11 multiplied by the millage levied and in effect on January 1, 2022
12 or the millage that would have been levied and in effect on January
13 1, 2022 but for a millage rate reduction under section 31 of
14 article IX of the state constitution of 1963 that occurs during the
15 period beginning on January 1, 2020 and ending on January 1, 2022.

16 (c) "Membership" means for a particular fiscal year the total
17 membership for the immediately preceding fiscal year of the
18 intermediate district and the districts constituent to the
19 intermediate district.

20 (d) "Millage levied" means the millage levied for special
21 education under part 30 of the revised school code, MCL 380.1711 to
22 380.1741, including a levy for debt service obligations.

23 (e) "Taxable value" means the total taxable value of the
24 districts constituent to an intermediate district, except that if a
25 district has elected not to come under part 30 of the revised
26 school code, MCL 380.1711 to 380.1741, membership and taxable value
27 of the district are not included in the membership and taxable
28 value of the intermediate district.

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



1 (a) "Local special education revenue" means the taxable value
 2 behind each membership pupil for the 2018-2019 fiscal year, as
 3 calculated by the department for the purposes of this section,
 4 multiplied by the millage levied and in effect on January 1, 2022
 5 or the millage that would have been levied and in effect on January
 6 1, 2022 but for a millage rate reduction under section 31 of
 7 article IX of the state constitution of 1963 that occurs during the
 8 period beginning on January 1, 2020 and ending on January 1, 2022.

9 (b) ~~(a)~~—"Membership" means for a particular fiscal year the
 10 total membership for the immediately preceding fiscal year of the
 11 intermediate district and the districts constituent to the
 12 intermediate district.

13 (c) ~~(b)~~—"Millage levied" means the millage levied for special
 14 education ~~pursuant to~~ **under** part 30 of the revised school code, MCL
 15 380.1711 to 380.1741, including a levy for debt service
 16 obligations.

17 (d) ~~(c)~~—"Taxable value" means the total taxable value of the
 18 districts constituent to an intermediate district, except that if a
 19 district has elected not to come under part 30 of the revised
 20 school code, MCL 380.1711 to 380.1741, membership and taxable value
 21 of the district ~~shall not be~~ **are not** included in the membership and
 22 taxable value of the intermediate district.

23 (2) From the allocation under section 51a(1), there is
 24 allocated ~~an amount not to exceed \$37,758,100.00 for 2017-2018 and~~
 25 an amount not to exceed \$40,008,100.00 for 2018-2019 to reimburse
 26 intermediate districts levying millages for special education
 27 ~~pursuant to~~ **under** part 30 of the revised school code, MCL 380.1711
 28 to 380.1741. The purpose, use, and expenditure of the reimbursement
 29 ~~shall~~ **must** be limited as if the funds were generated by these



1 millages and governed by the intermediate district plan adopted
 2 ~~pursuant to~~ **under** article 3 of the revised school code, MCL
 3 380.1701 to 380.1761. As a condition of receiving funds under this
 4 section, an intermediate district distributing any portion of
 5 special education millage funds to its constituent districts shall
 6 submit for departmental approval and implement a distribution plan.

7 ~~(3) Reimbursement for those millages levied in 2016-2017 shall~~
 8 ~~be made in 2017-2018 at an amount per 2016-2017 membership pupil~~
 9 ~~computed by subtracting from \$185,000.00 the 2016-2017 taxable~~
 10 ~~value behind each membership pupil and multiplying the resulting~~
 11 ~~difference by the 2016-2017 millage levied, and then subtracting~~
 12 ~~from that amount the 2016-2017 local community stabilization share~~
 13 ~~revenue for special education purposes behind each membership pupil~~
 14 ~~for reimbursement of personal property exemption loss under the~~
 15 ~~local community stabilization authority act, 2014 PA 86, MCL~~
 16 ~~123.1341 to 123.1362.~~

17 **(3)** ~~(4)~~ Except as otherwise provided in this subsection,
 18 reimbursement for those millages levied in 2017-2018 ~~shall be~~ **is**
 19 made in 2018-2019 at an amount per 2017-2018 membership pupil
 20 computed by subtracting from \$193,700.00 the 2017-2018 taxable
 21 value behind each membership pupil and multiplying the resulting
 22 difference by the 2017-2018 millage levied, and then subtracting
 23 from that amount the 2017-2018 local community stabilization share
 24 revenue for special education purposes behind each membership pupil
 25 for reimbursement of personal property exemption loss under the
 26 local community stabilization authority act, 2014 PA 86, MCL
 27 123.1341 to 123.1362. Reimbursement in 2018-2019 for an
 28 intermediate district whose 2017-2018 allocation was affected by
 29 the operation of subsection ~~(5) shall be~~ **(4) is** an amount equal to



1 102.5% of the 2017-2018 allocation to that intermediate district.

2 (4) ~~(5)~~—The **department shall ensure that the** amount paid to a
 3 single intermediate district under this section ~~shall~~**does** not
 4 exceed 62.9% of the total amount allocated under subsection (2).

5 (5) ~~(6)~~—The **department shall ensure that the** amount paid to a
 6 single intermediate district under this section ~~shall not be~~**is not**
 7 less than 75% of the amount allocated to the intermediate district
 8 under this section for the immediately preceding fiscal year.

9 (6) **It is the intent of the legislature that, beginning in**
 10 **2022-2023, for an intermediate district that does not have a local**
 11 **special education revenue of at least \$690.00 per membership pupil,**
 12 **the amount paid to the intermediate district under this section may**
 13 **not exceed the amount paid to the intermediate district under this**
 14 **section for the immediately preceding fiscal year.**

15 Enacting section 1. This amendatory act does not take effect
 16 unless Senate Bill No.____ or House Bill No. 4888 (request no.
 17 03679'19 **) of the 100th Legislature is enacted into law.

