

# HOUSE BILL NO. 6292

December 13, 2024, Introduced by Rep. Cavitt and referred to the Committee on Government Operations.

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 6, 20, 105, 105c, and 111 (MCL 388.1603, 388.1606, 388.1620, 388.1705, 388.1705c, and 388.1711), section 3 as amended by 2023 PA 103, section 6 as amended by 2023 PA 320, section 20 as amended by 2024 PA 120, sections 105 and 105c as amended by 2021 PA 48, and section 111 as amended by 1997 PA 93, and by adding section 105d.

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

**1**           Sec. 3. (1) "Average daily attendance", for the purposes of

1 complying with federal law, means 92% of the pupils counted in  
2 membership on the pupil membership count day, as defined in section  
3 6(7).

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

6 (3) "Center" means the center for educational performance and  
7 information created in section 94a.

8 (4) "Community district" means a school district organized  
9 under part 5b of the revised school code, MCL 380.381 to 380.396.

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

17 (6) "Department", except as otherwise provided in this  
18 article, means the department of education.

19 (7) "District" means, except as otherwise specifically  
20 provided in this act, a local school district established under the  
21 revised school code or, except in sections 6(4), 6(6), 11x, 11y,  
22 11aa, 12c, 13, 20, 22a, 22p, 27l, 31a, 51a(14), 105, 105c, **105d**, and  
23 166b, a public school academy. Except in section 20, district also  
24 includes a community district.

25 (8) "District of residence", except as otherwise provided in  
26 this subsection, means the district in which a pupil's custodial  
27 parent or parents or legal guardian resides. For a pupil described  
28 in section 24b, the pupil's district of residence is the district  
29 in which the pupil enrolls under that section. For a pupil

1 described in section 6(4)(d), the pupil's district of residence is  
2 considered to be the district or intermediate district in which the  
3 pupil is counted in membership under that section. For a pupil  
4 under court jurisdiction who is placed outside the district in  
5 which the pupil's custodial parent or parents or legal guardian  
6 resides, the pupil's district of residence is considered to be the  
7 educating district or educating intermediate district.

8 (9) "District superintendent" means the superintendent of a  
9 district or the chief administrator of a public school academy.

10 Sec. 6. (1) "Center program" means a program operated by a  
11 district or by an intermediate district for special education  
12 pupils from several districts in programs for pupils with autism  
13 spectrum disorder, pupils with severe cognitive impairment, pupils  
14 with moderate cognitive impairment, pupils with severe multiple  
15 impairments, pupils with hearing impairment, pupils with visual  
16 impairment, and pupils with physical impairment or other health  
17 impairment. Programs for pupils with emotional impairment housed in  
18 buildings that do not serve regular education pupils also qualify.  
19 Unless otherwise approved by the department, a center program  
20 either serves all constituent districts within an intermediate  
21 district or serves several districts with less than 50% of the  
22 pupils residing in the operating district. In addition, special  
23 education center program pupils placed part-time in noncenter  
24 programs to comply with the least restrictive environment  
25 provisions of section 1412 of the individuals with disabilities  
26 education act, 20 USC 1412, may be considered center program pupils  
27 for pupil accounting purposes for the time scheduled in either a  
28 center program or a noncenter program.

29 (2) "District and high school graduation rate" means the

1 annual completion and pupil dropout rate that is calculated by the  
2 center pursuant to nationally recognized standards.

3 (3) "District and high school graduation report" means a  
4 report of the number of pupils, excluding adult education  
5 participants, in the district for the immediately preceding school  
6 year, adjusted for those pupils who have transferred into or out of  
7 the district or high school, who leave high school with a diploma  
8 or other credential of equal status.

9 (4) "Membership", except as otherwise provided in this  
10 article, means for a district, a public school academy, or an  
11 intermediate district the sum of the product of .90 times the  
12 number of full-time equated pupils in grades K to 12 actually  
13 enrolled and in regular daily attendance in the district, public  
14 school academy, or intermediate district on the pupil membership  
15 count day for the current school year, plus the product of .10  
16 times the final audited count from the supplemental count day of  
17 full-time equated pupils in grades K to 12 actually enrolled and in  
18 regular daily attendance in the district, public school academy, or  
19 intermediate district for the immediately preceding school year. A  
20 district's, public school academy's, or intermediate district's  
21 membership is adjusted as provided under section 25e for pupils who  
22 enroll after the pupil membership count day in a strict discipline  
23 academy operating under sections 1311b to 1311m of the revised  
24 school code, MCL 380.1311b to 380.1311m. All pupil counts used in  
25 this subsection are as determined by the department and calculated  
26 by adding the number of pupils registered for attendance plus  
27 pupils received by transfer and minus pupils lost as defined by  
28 rules promulgated by the superintendent, and as corrected by a  
29 subsequent department audit. The amount of the foundation allowance

1 for a pupil in membership is determined under section 20. In making  
2 the calculation of membership, all of the following, as applicable,  
3 apply to determining the membership of a district, a public school  
4 academy, or an intermediate district:

5 (a) Except as otherwise provided in this subsection, and  
6 pursuant to subsection (6), a pupil is counted in membership in the  
7 pupil's educating district or districts. Except as otherwise  
8 provided in this subsection, an individual pupil must not be  
9 counted for more than a total of 1.0 full-time equated membership.

10 (b) If a pupil is educated in a district other than the  
11 pupil's district of residence, if the pupil is not being educated  
12 as part of a cooperative education program, if the pupil's district  
13 of residence does not give the educating district its approval to  
14 count the pupil in membership in the educating district, and if the  
15 pupil is not covered by an exception specified in subsection (6) to  
16 the requirement that the educating district must have the approval  
17 of the pupil's district of residence to count the pupil in  
18 membership, the pupil is not counted in membership in any district.

19 (c) A special education pupil educated by the intermediate  
20 district is counted in membership in the intermediate district.

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

27 (e) A pupil enrolled in the Michigan Schools for the Deaf and  
28 Blind is counted in membership in the pupil's intermediate district  
29 of residence.

1 (f) A pupil enrolled in a career and technical education  
2 program supported by a millage levied over an area larger than a  
3 single district or in an area vocational-technical education  
4 program established under section 690 of the revised school code,  
5 MCL 380.690, is counted in membership only in the pupil's district  
6 of residence.

7 (g) A pupil enrolled in a public school academy is counted in  
8 membership in the public school academy.

9 (h) For the purposes of this section and section 6a, for a  
10 cyber school, as that term is defined in section 551 of the revised  
11 school code, MCL 380.551, that is in compliance with section 553a  
12 of the revised school code, MCL 380.553a, a pupil's participation  
13 in the cyber school's educational program is considered regular  
14 daily attendance, and for a district or public school academy, a  
15 pupil's participation in a virtual course as that term is defined  
16 in section 21f is considered regular daily attendance. Beginning  
17 July 1, 2021, this subdivision is subject to section 8c. It is the  
18 intent of the legislature that the immediately preceding sentence  
19 apply retroactively and is effective July 1, 2021. For the purposes  
20 of this subdivision, for a pupil enrolled in a cyber school, all of  
21 the following apply with regard to the participation requirement as  
22 described in this subdivision:

23 (i) Except as otherwise provided in this subdivision, the pupil  
24 shall participate in each scheduled course on pupil membership  
25 count day or supplemental count day, as applicable. If the pupil is  
26 absent on pupil membership count day or supplemental count day, as  
27 applicable, the pupil must attend and participate in class during  
28 the next 10 consecutive school days if the absence was unexcused,  
29 or during the next 30 calendar days if the absence was excused.

1           (ii) For a pupil who is not learning sequentially, 1 or more of  
2 the following must be met on pupil membership count day or  
3 supplemental count day, as applicable, for each scheduled course to  
4 satisfy the participation requirement under this subdivision:

5           (A) The pupil attended a live lesson from the teacher.

6           (B) The pupil logged into a lesson or lesson activity and the  
7 login can be documented.

8           (C) The pupil and teacher engaged in a subject-oriented  
9 telephone conversation.

10           (D) There is documentation of an email dialogue between the  
11 pupil and teacher.

12           (E) There is documentation of activity or work between the  
13 learning coach and pupil.

14           (F) An alternate form of attendance as determined and agreed  
15 upon by the cyber school and the pupil membership auditor was met.

16           (iii) For a pupil using sequential learning, the participation  
17 requirement under this subdivision is satisfied if either of the  
18 following occurs:

19           (A) Except as otherwise provided in this sub-subparagraph, the  
20 pupil and the teacher of record or mentor complete a 2-way  
21 interaction for 1 course during the week on which pupil membership  
22 count day or supplemental count day, as applicable, occurs, and the  
23 3 consecutive weeks following that week. However, if a school break  
24 is scheduled during any of the weeks described in this sub-  
25 subparagraph that is 4 or more days in length or instruction has  
26 been canceled districtwide during any of the weeks described in  
27 this sub-subparagraph for 3 or more school days, the district is  
28 not required to ensure that the pupil and the teacher of record or  
29 mentor completed a 2-way interaction for that week. As used in this

1 sub-subparagraph:

2 (I) "2-way interaction" means the communication that occurs  
 3 between the teacher of record or mentor and pupil, where 1 party  
 4 initiates communication and a response from the other party follows  
 5 that communication. Responses as described in this sub-sub-  
 6 subparagraph must be to the communication initiated by the teacher  
 7 of record or mentor, and not some other action taken. This  
 8 interaction may occur through, but is not limited to, means such as  
 9 email, telephone, instant messaging, or face-to-face conversation.  
 10 A parent- or legal-guardian-facilitated 2-way interaction is  
 11 considered a 2-way interaction if the pupil is in any of grades K  
 12 to 5 and does not yet possess the skills necessary to participate  
 13 in 2-way interactions unassisted. The interactions described in  
 14 this sub-sub-subparagraph must relate to a virtual course on the  
 15 pupil's schedule and pertain to course content or progress.

16 (II) "Mentor" means a professional employee of the district  
 17 who monitors the pupil's progress, ensures the pupil has access to  
 18 needed technology, is available for assistance, and ensures access  
 19 to the teacher of record. A mentor may also be the teacher of  
 20 record if the mentor meets the definition of a teacher of record  
 21 under this sub-subparagraph and the district is the provider for  
 22 the course.

23 (III) "Teacher of record" means a teacher to whom all of the  
 24 following apply:

25 (1) The teacher is responsible for providing instruction,  
 26 determining instructional methods for each pupil, diagnosing  
 27 learning needs, assessing pupil learning, prescribing intervention  
 28 strategies and modifying lessons, reporting outcomes, and  
 29 evaluating the effects of instruction and support strategies. The



1 teacher of record may coordinate the distribution and assignment of  
2 the responsibilities described in this sub-sub-sub-subparagraph  
3 with other teachers participating in the instructional process for  
4 a course.

5 (2) The teacher is certified for the grade level or is working  
6 under a valid substitute permit, authorization, or approval issued  
7 by the department.

8 (3) The teacher has a personnel identification code provided  
9 by the center.

10 (IV) "Week" means a period that starts on Wednesday and ends  
11 the following Tuesday.

12 (B) The pupil completes a combination of 1 or more of the  
13 following activities for each scheduled course on pupil membership  
14 count day or supplemental count day, as applicable:

15 (I) Documented attendance in a virtual course where  
16 synchronous, live instruction occurred with the teacher.

17 (II) Documented completion of a course assignment.

18 (III) Documented completion of a course lesson or lesson  
19 activity.

20 (IV) Documented pupil access to an ongoing lesson, which does  
21 not include a login.

22 (V) Documented physical attendance on pupil membership count  
23 day or supplemental count day, as applicable, in each scheduled  
24 course, if the pupil will attend at least 50% of the instructional  
25 time for each scheduled course on-site, face-to-face with the  
26 teacher of record. As used in this sub-sub-subparagraph, "teacher  
27 of record" means that term as defined in subparagraph (iii) (A).

28 (iv) For purposes of subparagraph (iii), each scheduled course  
29 currently being attempted by the pupil, rather than every course on

1 the pupil's schedule for the entire term, is considered a part of  
2 each scheduled course for the pupil.

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

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

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

24 (j) If a district is the authorizing body for a public school  
25 academy, then, in the first school year in which pupils are counted  
26 in membership on the pupil membership count day in the public  
27 school academy, the determination of the district's membership  
28 excludes from the district's pupil count for the immediately  
29 preceding supplemental count day any pupils who are counted in the

1 public school academy on that first pupil membership count day who  
2 were also counted in the district on the immediately preceding  
3 supplemental count day.

4 (k) For an extended school year program approved by the  
5 superintendent, a pupil enrolled, but not scheduled to be in  
6 regular daily attendance, on a pupil membership count day, is  
7 counted in membership.

8 (l) To be counted in membership, a pupil must meet the minimum  
9 age requirement to be eligible to attend school under section 1147  
10 of the revised school code, MCL 380.1147, and must be less than 20  
11 years of age on September 1 of the school year except as follows:

12 (i) A special education pupil who is enrolled and receiving  
13 instruction in a special education program or service approved by  
14 the department, who does not have a high school diploma, and who is  
15 less than 26 years of age as of September 1 of the current school  
16 year is counted in membership.

17 (ii) A pupil who is determined by the department to meet all of  
18 the following may be counted in membership:

19 (A) Is enrolled in a public school academy or an alternative  
20 education high school diploma program, that is primarily focused on  
21 educating pupils with extreme barriers to education, such as being  
22 homeless as that term is defined under 42 USC 11302.

23 (B) Had dropped out of school.

24 (C) Is less than 22 years of age as of September 1 of the  
25 current school year.

26 (iii) If a child does not meet the minimum age requirement to be  
27 eligible to attend school for that school year under section 1147  
28 of the revised school code, MCL 380.1147, but will be 5 years of  
29 age not later than December 1 of that school year, the district may

1 count the child in membership for that school year if the parent or  
2 legal guardian has notified the district in writing that the parent  
3 or legal guardian intends to enroll the child in kindergarten for  
4 that school year.

5 (m) An individual who has achieved a high school diploma is  
6 not counted in membership. An individual who has achieved a high  
7 school equivalency certificate is not counted in membership unless  
8 the individual is a student with a disability as that term is  
9 defined in R 340.1702 of the Michigan Administrative Code. An  
10 individual participating in a job training program funded under  
11 former section 107a or a jobs program funded under former section  
12 107b, administered by the department of labor and economic  
13 opportunity, or participating in any successor of either of those 2  
14 programs, is not counted in membership.

15 (n) If a pupil counted in membership in a public school  
16 academy is also educated by a district or intermediate district as  
17 part of a cooperative education program, the pupil is counted in  
18 membership only in the public school academy unless a written  
19 agreement signed by all parties designates the party or parties in  
20 which the pupil is counted in membership, and the instructional  
21 time scheduled for the pupil in the district or intermediate  
22 district is included in the full-time equated membership  
23 determination under subdivision (q) and section 101. However, for  
24 pupils receiving instruction in both a public school academy and in  
25 a district or intermediate district but not as a part of a  
26 cooperative education program, the following apply:

27 (i) If the public school academy provides instruction for at  
28 least 1/2 of the class hours required under section 101, the public  
29 school academy receives as its prorated share of the full-time

1 equated membership for each of those pupils an amount equal to 1  
2 times the product of the hours of instruction the public school  
3 academy provides divided by the number of hours required under  
4 section 101 for full-time equivalency, and the remainder of the  
5 full-time membership for each of those pupils is allocated to the  
6 district or intermediate district providing the remainder of the  
7 hours of instruction.

8 (ii) If the public school academy provides instruction for less  
9 than 1/2 of the class hours required under section 101, the  
10 district or intermediate district providing the remainder of the  
11 hours of instruction receives as its prorated share of the full-  
12 time equated membership for each of those pupils an amount equal to  
13 1 times the product of the hours of instruction the district or  
14 intermediate district provides divided by the number of hours  
15 required under section 101 for full-time equivalency, and the  
16 remainder of the full-time membership for each of those pupils is  
17 allocated to the public school academy.

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

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

25 (q) The number of class hours used to calculate full-time  
26 equated memberships must be consistent with section 101. In  
27 determining full-time equated memberships for pupils who are  
28 enrolled in a postsecondary institution or for pupils engaged in an  
29 internship or work experience under section 1279h of the revised

1 school code, MCL 380.1279h, a pupil is not considered to be less  
2 than a full-time equated pupil solely because of the effect of the  
3 pupil's postsecondary enrollment or engagement in the internship or  
4 work experience, including necessary travel time, on the number of  
5 class hours provided by the district to the pupil.

6 (r) Full-time equated memberships for pupils in kindergarten  
7 are determined by dividing the number of instructional hours  
8 scheduled and provided per year per kindergarten pupil by the same  
9 number used for determining full-time equated memberships for  
10 pupils in grades 1 to 12. However, to the extent allowable under  
11 federal law, for a district or public school academy that provides  
12 evidence satisfactory to the department that it used federal title  
13 I money in the 2 immediately preceding school fiscal years to fund  
14 full-time kindergarten, full-time equated memberships for pupils in  
15 kindergarten are determined by dividing the number of class hours  
16 scheduled and provided per year per kindergarten pupil by a number  
17 equal to 1/2 the number used for determining full-time equated  
18 memberships for pupils in grades 1 to 12. The change in the  
19 counting of full-time equated memberships for pupils in  
20 kindergarten that took effect for 2012-2013 is not a mandate.

21 (s) For a district or a public school academy that has pupils  
22 enrolled in a grade level that was not offered by the district or  
23 public school academy in the immediately preceding school year, the  
24 number of pupils enrolled in that grade level to be counted in  
25 membership is the average of the number of those pupils enrolled  
26 and in regular daily attendance on the pupil membership count day  
27 and the supplemental count day of the current school year.  
28 Membership is calculated by adding the number of pupils registered  
29 for attendance in that grade level on the pupil membership count

1 day plus pupils received by transfer and minus pupils lost as  
2 defined by rules promulgated by the superintendent, and as  
3 corrected by subsequent department audit, plus the final audited  
4 count from the supplemental count day for the current school year,  
5 and dividing that sum by 2.

6 (t) A pupil enrolled in a cooperative education program may be  
7 counted in membership in the pupil's district of residence with the  
8 written approval of all parties to the cooperative agreement.

9 (u) If, as a result of a disciplinary action, a district  
10 determines through the district's alternative or disciplinary  
11 education program that the best instructional placement for a pupil  
12 is in the pupil's home or otherwise apart from the general school  
13 population, if that placement is authorized in writing by the  
14 district superintendent and district alternative or disciplinary  
15 education supervisor, and if the district provides appropriate  
16 instruction as described in this subdivision to the pupil at the  
17 pupil's home or otherwise apart from the general school population,  
18 the district may count the pupil in membership on a pro rata basis,  
19 with the proration based on the number of hours of instruction the  
20 district actually provides to the pupil divided by the number of  
21 hours required under section 101 for full-time equivalency. For the  
22 purposes of this subdivision, a district is considered to be  
23 providing appropriate instruction if all of the following are met:

24 (i) The district provides at least 2 nonconsecutive hours of  
25 instruction per week to the pupil at the pupil's home or otherwise  
26 apart from the general school population under the supervision of a  
27 certificated teacher.

28 (ii) The district provides instructional materials, resources,  
29 and supplies that are comparable to those otherwise provided in the

1 district's alternative education program.

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

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

6 (v) If a pupil was enrolled in a public school academy on the  
7 pupil membership count day, if the public school academy's contract  
8 with its authorizing body is revoked or the public school academy  
9 otherwise ceases to operate, and if the pupil enrolls in a district  
10 within 45 days after the pupil membership count day, the department  
11 shall adjust the district's pupil count for the pupil membership  
12 count day to include the pupil in the count.

13 (w) For a public school academy that has been in operation for  
14 at least 2 years and that suspended operations for at least 1  
15 semester and is resuming operations, membership is the sum of the  
16 product of .90 times the number of full-time equated pupils in  
17 grades K to 12 actually enrolled and in regular daily attendance on  
18 the first pupil membership count day or supplemental count day,  
19 whichever is first, occurring after operations resume, plus the  
20 product of .10 times the final audited count from the most recent  
21 pupil membership count day or supplemental count day that occurred  
22 before suspending operations, as determined by the superintendent.

23 (x) If a district's membership for a particular fiscal year,  
24 as otherwise calculated under this subsection, would be less than  
25 1,550 pupils, the district has 4.5 or fewer pupils per square mile,  
26 as determined by the department, and the district does not receive  
27 funding under section 22d(2), the district's membership is  
28 considered to be the membership figure calculated under this  
29 subdivision. If a district educates and counts in its membership



1 pupils in grades 9 to 12 who reside in a contiguous district that  
2 does not operate grades 9 to 12 and if 1 or both of the affected  
3 districts request the department to use the determination allowed  
4 under this sentence, the department shall include the square  
5 mileage of both districts in determining the number of pupils per  
6 square mile for each of the districts for the purposes of this  
7 subdivision. If a district has established a community engagement  
8 advisory committee in partnership with the department of treasury,  
9 is required to submit a deficit elimination plan or an enhanced  
10 deficit elimination plan under section 1220 of the revised school  
11 code, MCL 380.1220, and is located in a city with a population  
12 between 9,000 and 11,000, as determined by the department, that is  
13 in a county with a population between 150,000 and 160,000, as  
14 determined by the department, the district's membership is  
15 considered to be the membership figure calculated under this  
16 subdivision. The membership figure calculated under this  
17 subdivision is the greater of the following:

18 (i) The average of the district's membership for the 3-fiscal-  
19 year period ending with that fiscal year, calculated by adding the  
20 district's actual membership for each of those 3 fiscal years, as  
21 otherwise calculated under this subsection, and dividing the sum of  
22 those 3 membership figures by 3.

23 (ii) The district's actual membership for that fiscal year as  
24 otherwise calculated under this subsection.

25 (y) Full-time equated memberships for special education pupils  
26 who are not enrolled in kindergarten but are enrolled in a  
27 classroom program under R 340.1754 of the Michigan Administrative  
28 Code are determined by dividing the number of class hours scheduled  
29 and provided per year by 450. Full-time equated memberships for

1 special education pupils who are not enrolled in kindergarten but  
2 are receiving early childhood special education services under R  
3 340.1755 or R 340.1862 of the Michigan Administrative Code are  
4 determined by dividing the number of hours of service scheduled and  
5 provided per year per pupil by 180.

6 (z) A pupil of a district that begins its school year after  
7 Labor Day who is enrolled in an intermediate district program that  
8 begins before Labor Day is not considered to be less than a full-  
9 time pupil solely due to instructional time scheduled but not  
10 attended by the pupil before Labor Day.

11 (aa) For the first year in which a pupil is counted in  
12 membership on the pupil membership count day in a middle college  
13 program, the membership is the average of the full-time equated  
14 membership on the pupil membership count day and on the  
15 supplemental count day for the current school year, as determined  
16 by the department. If a pupil described in this subdivision was  
17 counted in membership by the operating district on the immediately  
18 preceding supplemental count day, the pupil is excluded from the  
19 district's immediately preceding supplemental count for the  
20 purposes of determining the district's membership.

21 (bb) A district or public school academy that educates a pupil  
22 who attends a United States Olympic Education Center may count the  
23 pupil in membership regardless of whether or not the pupil is a  
24 resident of this state.

25 (cc) A pupil enrolled in a district other than the pupil's  
26 district of residence under section 1148(2) of the revised school  
27 code, MCL 380.1148, is counted in the educating district.

28 (dd) For a pupil enrolled in a dropout recovery program that  
29 meets the requirements of section 23a, the pupil is counted as 1/12

1 of a full-time equated membership for each month that the district  
2 operating the program reports that the pupil was enrolled in the  
3 program and was in full attendance. However, if the special  
4 membership counting provisions under this subdivision and the  
5 operation of the other membership counting provisions under this  
6 subsection result in a pupil being counted as more than 1.0 FTE in  
7 a fiscal year, the payment made for the pupil under sections 22a  
8 and 22b must not be based on more than 1.0 FTE for that pupil, and  
9 any portion of an FTE for that pupil that exceeds 1.0 is instead  
10 paid under section 25g. The district operating the program shall  
11 report to the center the number of pupils who were enrolled in the  
12 program and were in full attendance for a month not later than 30  
13 days after the end of the month. A district shall not report a  
14 pupil as being in full attendance for a month unless both of the  
15 following are met:

16 (i) A personalized learning plan is in place on or before the  
17 first school day of the month for the first month the pupil  
18 participates in the program.

19 (ii) Either of the following is met:

20 (A) The pupil meets the district's definition under section  
21 23a of satisfactory monthly progress for that month or, if the  
22 pupil does not meet that definition of satisfactory monthly  
23 progress for that month, the pupil did meet that definition of  
24 satisfactory monthly progress in the immediately preceding month  
25 and appropriate interventions, as defined by the district, are  
26 implemented within 10 school days after it is determined that the  
27 pupil does not meet that definition of satisfactory monthly  
28 progress.

29 (B) For the first 2 months that the pupil participates in the

1 program, the pupil earns 0.25 credit by the end of the second  
2 month. A pupil described in this sub-subparagraph may be  
3 retroactively reported as being in full attendance for the first  
4 month that the pupil participated in the program.

5 (ee) A pupil participating in a virtual course under section  
6 21f is counted in membership in the district enrolling the pupil.

7 (ff) If a public school academy that is not in its first or  
8 second year of operation closes at the end of a school year and  
9 does not reopen for the next school year, the department shall  
10 adjust the membership count of the district or other public school  
11 academy in which a former pupil of the closed public school academy  
12 enrolls and is in regular daily attendance for the next school year  
13 to ensure that the district or other public school academy receives  
14 the same amount of membership aid for the pupil as if the pupil  
15 were counted in the district or other public school academy on the  
16 supplemental count day of the preceding school year.

17 (gg) If a special education pupil is expelled under section  
18 1311 or 1311a of the revised school code, MCL 380.1311 and  
19 380.1311a, and is not in attendance on the pupil membership count  
20 day because of the expulsion, and if the pupil remains enrolled in  
21 the district and resumes regular daily attendance during that  
22 school year, the district's membership is adjusted to count the  
23 pupil in membership as if the pupil had been in attendance on the  
24 pupil membership count day.

25 (hh) A pupil enrolled in a community district is counted in  
26 membership in the community district.

27 (ii) A part-time pupil enrolled in a nonpublic school in  
28 grades K to 12 in accordance with section 166b must not be counted  
29 as more than 0.75 of a full-time equated membership.

1           (jj) A district that borders another state or a public school  
2 academy that operates at least grades 9 to 12 and is located within  
3 20 miles of a border with another state may count in membership a  
4 pupil who is enrolled in a course at a college or university that  
5 is located in the bordering state and within 20 miles of the border  
6 with this state if all of the following are met:

7           (i) The pupil would meet the definition of an eligible student  
8 under the postsecondary enrollment options act, 1996 PA 160, MCL  
9 388.511 to 388.524, if the course were an eligible course under  
10 that act.

11           (ii) The course in which the pupil is enrolled would meet the  
12 definition of an eligible course under the postsecondary enrollment  
13 options act, 1996 PA 160, MCL 388.511 to 388.524, if the course  
14 were provided by an eligible postsecondary institution under that  
15 act.

16           (iii) The department determines that the college or university  
17 is an institution that, in the other state, fulfills a function  
18 comparable to a state university or community college, as those  
19 terms are defined in section 3 of the postsecondary enrollment  
20 options act, 1996 PA 160, MCL 388.513, or is an independent  
21 nonprofit degree-granting college or university.

22           (iv) The district or public school academy pays for a portion  
23 of the pupil's tuition at the college or university in an amount  
24 equal to the eligible charges that the district or public school  
25 academy would pay to an eligible postsecondary institution under  
26 the postsecondary enrollment options act, 1996 PA 160, MCL 388.511  
27 to 388.524, as if the course were an eligible course under that  
28 act.

29           (v) The district or public school academy awards high school

1 credit to a pupil who successfully completes a course as described  
2 in this subdivision.

3 (kk) A pupil enrolled in a middle college program may be  
4 counted for more than a total of 1.0 full-time equated membership  
5 for any of the school years in which the pupil is enrolled in the  
6 middle college program, but the total full-time equated membership  
7 for that pupil for all of the school years in which the pupil is  
8 enrolled in high school must not be greater than 5.00 full-time  
9 equated membership if the pupil is enrolled in more than the  
10 minimum number of instructional days and hours required under  
11 section 101 and the pupil is expected to complete the 5-year  
12 program with both a high school diploma and at least 60  
13 transferable college credits or is expected to earn an associate's  
14 degree in fewer than 5 years. A pupil who graduates with both a  
15 high school diploma and at least 60 transferable college credits or  
16 an associate degree at least 1 semester early is considered to have  
17 completed the middle college program in fewer than 5 years.

18 (ll) If a district's or public school academy's membership for  
19 a particular fiscal year, as otherwise calculated under this  
20 subsection, includes pupils counted in membership who are enrolled  
21 under section 166b, all of the following apply for the purposes of  
22 this subdivision:

23 (i) If the district's or public school academy's membership for  
24 pupils counted under section 166b equals or exceeds 5% of the  
25 district's or public school academy's membership for pupils not  
26 counted in membership under section 166b in the immediately  
27 preceding fiscal year, then the growth in the district's or public  
28 school academy's membership for pupils counted under section 166b  
29 must not exceed 10%.

1           (ii) If the district's or public school academy's membership  
2 for pupils counted under section 166b is less than 5% of the  
3 district's or public school academy's membership for pupils not  
4 counted in membership under section 166b in the immediately  
5 preceding fiscal year, then the district's or public school  
6 academy's membership for pupils counted under section 166b must not  
7 exceed the greater of the following:

8           (A) Five percent of the district's or public school academy's  
9 membership for pupils not counted in membership under section 166b.

10           (B) Ten percent more than the district's or public school  
11 academy's membership for pupils counted under section 166b in the  
12 immediately preceding fiscal year.

13           (iii) If 1 or more districts consolidate or are parties to an  
14 annexation, then the calculations under subparagraphs (i) and (ii)  
15 must be applied to the combined total membership for pupils counted  
16 in those districts for the fiscal year immediately preceding the  
17 consolidation or annexation.

18           (5) "Public school academy" means that term as defined in  
19 section 5 of the revised school code, MCL 380.5.

20           (6) "Pupil" means an individual in membership in a public  
21 school. A district must have the approval of the pupil's district  
22 of residence to count the pupil in membership, except approval by  
23 the pupil's district of residence is not required for any of the  
24 following:

25           (a) A nonpublic part-time pupil enrolled in grades K to 12 in  
26 accordance with section 166b.

27           (b) A pupil receiving 1/2 or less of the pupil's instruction  
28 in a district other than the pupil's district of residence.

29           (c) A pupil enrolled in a public school academy.

1 (d) A pupil enrolled in a district other than the pupil's  
2 district of residence if the pupil is enrolled in accordance with  
3 section 105, ~~or~~ 105c, **or 105d.**

4 (e) A pupil who has made an official written complaint or  
5 whose parent or legal guardian has made an official written  
6 complaint to law enforcement officials and to school officials of  
7 the pupil's district of residence that the pupil has been the  
8 victim of a criminal sexual assault or other serious assault, if  
9 the official complaint either indicates that the assault occurred  
10 at school or that the assault was committed by 1 or more other  
11 pupils enrolled in the school the pupil would otherwise attend in  
12 the district of residence or by an employee of the district of  
13 residence. A person who intentionally makes a false report of a  
14 crime to law enforcement officials for the purposes of this  
15 subdivision is subject to section 411a of the Michigan penal code,  
16 1931 PA 328, MCL 750.411a, which provides criminal penalties for  
17 that conduct. As used in this subdivision:

18 (i) "At school" means in a classroom, elsewhere on school  
19 premises, on a school bus or other school-related vehicle, or at a  
20 school-sponsored activity or event whether or not it is held on  
21 school premises.

22 (ii) "Serious assault" means an act that constitutes a felony  
23 violation of chapter XI of the Michigan penal code, 1931 PA 328,  
24 MCL 750.81 to 750.90h, or that constitutes an assault and  
25 infliction of serious or aggravated injury under section 81a of the  
26 Michigan penal code, 1931 PA 328, MCL 750.81a.

27 (f) A pupil whose district of residence changed after the  
28 pupil membership count day and before the supplemental count day  
29 and who continues to be enrolled on the supplemental count day as a



1 nonresident in the district in which the pupil was enrolled as a  
2 resident on the pupil membership count day of the same school year.

3 (g) A pupil enrolled in an alternative education program  
4 operated by a district other than the pupil's district of residence  
5 who meets 1 or more of the following:

6 (i) The pupil has been suspended or expelled from the pupil's  
7 district of residence for any reason, including, but not limited  
8 to, a suspension or expulsion under section 1310, 1311, or 1311a of  
9 the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

10 (ii) The pupil had previously dropped out of school.

11 (iii) The pupil is pregnant or is a parent.

12 (iv) The pupil has been referred to the program by a court.

13 (h) A pupil enrolled in the Michigan Virtual School, for the  
14 pupil's enrollment in the Michigan Virtual School.

15 (i) A pupil who is the child of a person who works at the  
16 district or who is the child of a person who worked at the district  
17 as of the time the pupil first enrolled in the district but who no  
18 longer works at the district due to a workforce reduction. As used  
19 in this subdivision, "child" includes an adopted child, stepchild,  
20 or legal ward.

21 (j) An expelled pupil who has been denied reinstatement by the  
22 expelling district and is reinstated by another school board under  
23 section 1311 or 1311a of the revised school code, MCL 380.1311 and  
24 380.1311a.

25 (k) A pupil enrolled in a district other than the pupil's  
26 district of residence in a middle college program if the pupil's  
27 district of residence and the enrolling district are both  
28 constituent districts of the same intermediate district.

29 (l) A pupil enrolled in a district other than the pupil's

1 district of residence who attends a United States Olympic Education  
2 Center.

3 (m) A pupil enrolled in a district other than the pupil's  
4 district of residence under section 1148(2) of the revised school  
5 code, MCL 380.1148.

6 (n) A pupil who enrolls in a district other than the pupil's  
7 district of residence as a result of the pupil's school not making  
8 adequate yearly progress under the no child left behind act of  
9 2001, Public Law 107-110, or the every student succeeds act, Public  
10 Law 114-95. However, if a district educates pupils who reside in  
11 another district and if the primary instructional site for those  
12 pupils is established by the educating district after 2009-2010 and  
13 is located within the boundaries of that other district, the  
14 educating district must have the approval of that other district to  
15 count those pupils in membership.

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

18 (a) Except as provided in subdivision (b) or (c), either of  
19 the following:

20 (i) The first Wednesday in October each school year.

21 (ii) For a district or building in which school is not in  
22 session on the Wednesday described in subparagraph (i) due to  
23 conditions not within the control of school authorities, with the  
24 approval of the superintendent, the immediately following day on  
25 which school is in session in the district or building.

26 (b) Except as otherwise provided in subdivision (c), for a  
27 district or intermediate district maintaining school during the  
28 entire school year, the following days:

29 (i) Fourth Wednesday in July.

1           (ii) First Wednesday in October.

2           (iii) Second Wednesday in February.

3           (iv) Fourth Wednesday in April.

4           (c) If a date listed in subdivision (a) or (b) is on a day of  
5 religious or cultural significance, as determined by the district  
6 or intermediate district, the immediately following day on which  
7 school is in session in the district or building.

8           (8) "Pupils in grades K to 12 actually enrolled and in regular  
9 daily attendance" means, except as otherwise provided in this  
10 section, pupils in grades K to 12 in attendance and receiving  
11 instruction in all classes for which they are enrolled on the pupil  
12 membership count day or the supplemental count day, as applicable.  
13 Except as otherwise provided in this section and subsection, a  
14 pupil who is absent from any of the classes in which the pupil is  
15 enrolled on the pupil membership count day or supplemental count  
16 day and who does not attend each of those classes during the 10  
17 consecutive school days immediately following the pupil membership  
18 count day or supplemental count day, except for a pupil who has  
19 been excused by the district, is not counted as 1.0 full-time  
20 equated membership. Except as otherwise provided in this section, a  
21 pupil who is excused from attendance on the pupil membership count  
22 day or supplemental count day and who fails to attend each of the  
23 classes in which the pupil is enrolled within 30 calendar days  
24 after the pupil membership count day or supplemental count day is  
25 not counted as 1.0 full-time equated membership. Except as  
26 otherwise provided in this section, in addition, a pupil who was  
27 enrolled and in attendance in a district, intermediate district, or  
28 public school academy before the pupil membership count day or  
29 supplemental count day of a particular year but was expelled or

1 suspended on the pupil membership count day or supplemental count  
2 day is only counted as 1.0 full-time equated membership if the  
3 pupil resumed attendance in the district, intermediate district, or  
4 public school academy within 45 days after the pupil membership  
5 count day or supplemental count day of that particular year. Except  
6 as otherwise provided in this section, a pupil not counted as 1.0  
7 full-time equated membership due to an absence from a class is  
8 counted as a prorated membership for the classes the pupil  
9 attended. For purposes of this subsection:

10 (a) "Appropriately placed" means holding a valid Michigan  
11 educator credential with the required grade range and discipline or  
12 subject area for the assignment, as defined by the superintendent  
13 of public instruction.

14 (b) "Class" means either of the following, as applicable:

15 (i) A period of time in 1 day when pupils and an individual who  
16 is appropriately placed under a valid certificate, substitute  
17 permit, authorization, or approval issued by the department, are  
18 together and instruction is taking place. This subdivision does not  
19 apply for the 2020-2021, 2021-2022, 2022-2023, and 2023-2024 school  
20 years.

21 (ii) For the 2020-2021, 2021-2022, 2022-2023, and 2023-2024  
22 school years only, a period of time in 1 day when pupils and a  
23 certificated teacher, a teacher engaged to teach under section  
24 1233b of the revised school code, MCL 380.1233b, or an individual  
25 working under a valid substitute permit, authorization, or approval  
26 issued by the department are together and instruction is taking  
27 place.

28 (9) "Rule" means a rule promulgated pursuant to the  
29 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to

1 24.328.

2 (10) "The revised school code" means the revised school code,  
3 1976 PA 451, MCL 380.1 to 380.1852.

4 (11) "School district of the first class", "first class school  
5 district", and "district of the first class" mean, for the purposes  
6 of this article only, a district that had at least 40,000 pupils in  
7 membership for the immediately preceding fiscal year.

8 (12) "School fiscal year" means a fiscal year that commences  
9 July 1 and continues through June 30.

10 (13) "State board" means the state board of education.

11 (14) "Superintendent", unless the context clearly refers to a  
12 district or intermediate district superintendent, means the  
13 superintendent of public instruction described in section 3 of  
14 article VIII of the state constitution of 1963.

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

17 (16) "Tuition pupil" means a pupil of school age attending  
18 school in a district other than the pupil's district of residence  
19 for whom tuition may be charged to the district of residence.  
20 Tuition pupil does not include a pupil who is a special education  
21 pupil, a pupil described in subsection (6)(d) to (n), or a pupil  
22 whose parent or guardian voluntarily enrolls the pupil in a  
23 district that is not the pupil's district of residence. A pupil's  
24 district of residence shall not require a high school tuition  
25 pupil, as provided under section 111, to attend another school  
26 district after the pupil has been assigned to a school district.

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

1           (18) "Taxable value" means, except as otherwise provided in  
2 this article, the taxable value of property as determined under  
3 section 27a of the general property tax act, 1893 PA 206, MCL  
4 211.27a.

5           (19) "Textbook" means a book, electronic book, or other  
6 instructional print or electronic resource that is selected and  
7 approved by the governing board of a district and that contains a  
8 presentation of principles of a subject, or that is a literary work  
9 relevant to the study of a subject required for the use of  
10 classroom pupils, or another type of course material that forms the  
11 basis of classroom instruction.

12           (20) "Total state aid" or "total state school aid", except as  
13 otherwise provided in this article, means the total combined amount  
14 of all funds due to a district, intermediate district, or other  
15 entity under this article.

16           Sec. 20. (1) For 2024-2025, the target foundation allowance is  
17 \$9,608.00.

18           (2) The department shall calculate the amount of each  
19 district's foundation allowance as provided in this section, using  
20 a target foundation allowance in the amount specified in subsection  
21 (1).

22           (3) Except as otherwise provided in this section, the  
23 department shall calculate the amount of a district's foundation  
24 allowance as follows, using in all calculations the total amount of  
25 the district's foundation allowance as calculated before any  
26 proration:

27           (a) For a district that had a foundation allowance for the  
28 immediately preceding fiscal year that was equal to the target  
29 foundation allowance for the immediately preceding fiscal year, the

1 district receives a foundation allowance in an amount equal to the  
2 target foundation allowance described in subsection (1) for the  
3 current fiscal year.

4 (b) For a district that had a foundation allowance for the  
5 immediately preceding fiscal year that was greater than the target  
6 foundation allowance for the immediately preceding fiscal year, the  
7 district's foundation allowance is an amount equal to the lesser of  
8 (the sum of the district's foundation allowance for the immediately  
9 preceding fiscal year plus any per pupil amount calculated under  
10 section 20m(2) in the immediately preceding fiscal year plus the  
11 increase in the target foundation allowance for the current fiscal  
12 year, as compared to the immediately preceding fiscal year) or (the  
13 product of the district's foundation allowance for the immediately  
14 preceding fiscal year times the percentage increase in the United  
15 States Consumer Price Index in the calendar year ending in the  
16 immediately preceding fiscal year as reported by the May revenue  
17 estimating conference conducted under section 367b of the  
18 management and budget act, 1984 PA 431, MCL 18.1367b).

19 (c) For a district that had a foundation allowance in the  
20 immediately preceding fiscal year that was less than the target  
21 foundation allowance in effect for that fiscal year, the district's  
22 foundation allowance is an amount equal to the lesser of (the sum  
23 of district's foundation allowance for the immediately preceding  
24 fiscal year plus any per pupil amount calculated under section  
25 20m(2) in the immediately preceding fiscal year plus the increase  
26 in the target foundation allowance for the current fiscal year, as  
27 compared to the immediately preceding fiscal year) or (the product  
28 of the district's foundation allowance for the immediately  
29 preceding fiscal year times the percentage increase in the United

1 States Consumer Price Index in the calendar year ending in the  
2 immediately preceding fiscal year as reported by the May revenue  
3 estimating conference conducted under section 367b of the  
4 management and budget act, 1984 PA 431, MCL 18.1367b).

5 (d) For a district that has a foundation allowance that is not  
6 a whole dollar amount, the department shall round the district's  
7 foundation allowance up to the nearest whole dollar.

8 (4) Except as otherwise provided in this subsection, the state  
9 portion of a district's foundation allowance is an amount equal to  
10 the district's foundation allowance or the target foundation  
11 allowance for the current fiscal year, whichever is less, minus the  
12 local portion of the district's foundation allowance. Except as  
13 otherwise provided in this subsection, for a district described in  
14 subsection (3) (b) and (c), the state portion of the district's  
15 foundation allowance is an amount equal to the target foundation  
16 allowance minus the district's foundation allowance supplemental  
17 payment per pupil calculated under section 20m and minus the local  
18 portion of the district's foundation allowance. For a district that  
19 has a millage reduction required under section 31 of article IX of  
20 the state constitution of 1963, the department shall calculate the  
21 state portion of the district's foundation allowance as if that  
22 reduction did not occur. For a receiving district, if school  
23 operating taxes continue to be levied on behalf of a dissolved  
24 district that has been attached in whole or in part to the  
25 receiving district to satisfy debt obligations of the dissolved  
26 district under section 12 of the revised school code, MCL 380.12,  
27 the taxable value per membership pupil of property in the receiving  
28 district used for the purposes of this subsection does not include  
29 the taxable value of property within the geographic area of the



1 dissolved district. For a community district, if school operating  
2 taxes continue to be levied by a qualifying school district under  
3 section 12b of the revised school code, MCL 380.12b, with the same  
4 geographic area as the community district, the taxable value per  
5 membership pupil of property in the community district to be used  
6 for the purposes of this subsection does not include the taxable  
7 value of property within the geographic area of the community  
8 district.

9 (5) The allocation calculated under this section for a pupil  
10 is based on the foundation allowance of the pupil's district of  
11 residence. For a pupil enrolled under section 105, ~~or~~ 105c, **or 105d**  
12 in a district other than the pupil's district of residence, the  
13 allocation calculated under this section is based on the lesser of  
14 the foundation allowance of the pupil's district of residence or  
15 the foundation allowance of the educating district. For a pupil in  
16 membership in a K-5, K-6, or K-8 district who is enrolled in  
17 another district in a grade not offered by the pupil's district of  
18 residence, the allocation calculated under this section is based on  
19 the foundation allowance of the educating district if the educating  
20 district's foundation allowance is greater than the foundation  
21 allowance of the pupil's district of residence. The calculation  
22 under this subsection must take into account a district's per-pupil  
23 allocation under section 20m.

24 (6) Except as otherwise provided in this subsection, for  
25 pupils in membership, other than special education pupils, in a  
26 public school academy, the allocation calculated under this section  
27 is an amount per membership pupil other than special education  
28 pupils in the public school academy equal to the target foundation  
29 allowance specified in subsection (1), or, for a public school

1 academy that was issued a contract under section 552 of the revised  
2 school code, MCL 380.552, to operate as a school of excellence that  
3 is a cyber school, \$9,150.00. Notwithstanding section 101, for a  
4 public school academy that begins operations after the pupil  
5 membership count day, the amount per membership pupil calculated  
6 under this subsection must be adjusted by multiplying that amount  
7 per membership pupil by the number of hours of pupil instruction  
8 provided by the public school academy after it begins operations,  
9 as determined by the department, divided by the minimum number of  
10 hours of pupil instruction required under section 101(3). The  
11 result of this calculation must not exceed the amount per  
12 membership pupil otherwise calculated under this subsection.

13 (7) For pupils in membership, other than special education  
14 pupils, in a community district, the allocation calculated under  
15 this section is an amount per membership pupil other than special  
16 education pupils in the community district equal to the foundation  
17 allowance of the qualifying school district, as described in  
18 section 12b of the revised school code, MCL 380.12b, that is  
19 located within the same geographic area as the community district.

20 (8) Subject to subsection (4), for a district that is formed  
21 or reconfigured after June 1, 2002 by consolidation of 2 or more  
22 districts or by annexation, the resulting district's foundation  
23 allowance under this section beginning after the effective date of  
24 the consolidation or annexation is the lesser of the sum of the  
25 average of the foundation allowances of each of the original or  
26 affected districts, calculated as provided in this section,  
27 weighted as to the percentage of pupils in total membership in the  
28 resulting district who reside in the geographic area of each of the  
29 original or affected districts plus \$100.00 or the highest

1 foundation allowance among the original or affected districts. This  
2 subsection does not apply to a receiving district unless there is a  
3 subsequent consolidation or annexation that affects the district.  
4 The calculation under this subsection must take into account a  
5 district's per-pupil allocation under section 20m.

6 (9) The department shall round each fraction used in making  
7 calculations under this section to the fourth decimal place and  
8 shall round the dollar amount of an increase in the target  
9 foundation allowance to the nearest whole dollar.

10 (10) State payments related to payment of the foundation  
11 allowance for a special education pupil are not calculated under  
12 this section but are instead calculated under section 51e.

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

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

29 (b) The revenue adjustment factor is computed by dividing the

1 sum of the estimated total state school aid fund revenue for the  
2 subsequent fiscal year plus the estimated total state school aid  
3 fund revenue for the current fiscal year, adjusted for any change  
4 in the rate or base of a tax the proceeds of which are deposited in  
5 that fund and excluding money transferred into that fund from the  
6 countercyclical budget and economic stabilization fund under the  
7 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, by  
8 the sum of the estimated total school aid fund revenue for the  
9 current fiscal year plus the estimated total state school aid fund  
10 revenue for the immediately preceding fiscal year, adjusted for any  
11 change in the rate or base of a tax the proceeds of which are  
12 deposited in that fund. If a consensus revenue factor is not  
13 determined at the revenue estimating conference, the principals of  
14 the revenue estimating conference shall report their estimates to  
15 the house and senate subcommittees responsible for school aid  
16 appropriations not later than 7 days after the conclusion of the  
17 revenue conference.

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

25 (12) Payments to districts and public school academies are not  
26 made under this section. Rather, the calculations under this  
27 section are used to determine the amount of state payments under  
28 section 22b.

29 (13) If an amendment to section 2 of article VIII of the state

1 constitution of 1963 allowing state aid to some or all nonpublic  
2 schools is approved by the voters of this state, each foundation  
3 allowance or per-pupil payment calculation under this section may  
4 be reduced.

5 (14) As used in this section:

6 (a) "Certified mills" means the lesser of 18 mills or the  
7 number of mills of school operating taxes levied by the district in  
8 1993-94.

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

11 (c) "Dissolved district" means a district that loses its  
12 organization, has its territory attached to 1 or more other  
13 districts, and is dissolved as provided under section 12 of the  
14 revised school code, MCL 380.12.

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

17 (e) "Local portion of the district's foundation allowance"  
18 means an amount that is equal to the difference between (the sum of  
19 the product of the taxable value per membership pupil of all  
20 property in the district that is nonexempt property times the  
21 district's certified mills and, for a district with certified mills  
22 exceeding 12, the product of the taxable value per membership pupil  
23 of property in the district that is commercial personal property  
24 times the certified mills minus 12 mills) and (the quotient of the  
25 product of the captured assessed valuation under tax increment  
26 financing acts times the district's certified mills divided by the  
27 district's membership excluding special education pupils).

28 (f) "Membership" means the definition of that term under  
29 section 6 as in effect for the particular fiscal year for which a

1 particular calculation is made.

2 (g) "Nonexempt property" means property that is not a  
3 principal residence, qualified agricultural property, qualified  
4 forest property, supportive housing property, industrial personal  
5 property, commercial personal property, or property occupied by a  
6 public school academy.

7 (h) "Principal residence", "qualified agricultural property",  
8 "qualified forest property", "supportive housing property",  
9 "industrial personal property", and "commercial personal property"  
10 mean those terms as defined in section 1211 of the revised school  
11 code, MCL 380.1211.

12 (i) "Receiving district" means a district to which all or part  
13 of the territory of a dissolved district is attached under section  
14 12 of the revised school code, MCL 380.12.

15 (j) "School operating purposes" means the purposes included in  
16 the operation costs of the district as prescribed in sections 7 and  
17 18 and purposes authorized under section 1211 of the revised school  
18 code, MCL 380.1211.

19 (k) "School operating taxes" means local ad valorem property  
20 taxes levied under section 1211 of the revised school code, MCL  
21 380.1211, and retained for school operating purposes.

22 (l) "Tax increment financing acts" means parts 2, 3, 4, and 6  
23 of the recodified tax increment financing act, 2018 PA 57, MCL  
24 125.4201 to 125.4420 and 125.4602 to 125.4629, or the brownfield  
25 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.

26 (m) "Taxable value per membership pupil" means taxable value,  
27 as certified by the county treasurer and reported to the  
28 department, for the calendar year ending in the current state  
29 fiscal year divided by the district's membership excluding special

1 education pupils for the school year ending in the current state  
2 fiscal year.

3       Sec. 105. (1) ~~In order to~~ **To** avoid a penalty under this  
4 section, and ~~in order to~~ count a nonresident pupil residing within  
5 the same intermediate district in membership without the approval  
6 of the pupil's district of residence, a district must comply with  
7 this section.

8       (2) Except as otherwise provided in this section, a district  
9 shall determine whether or not it will accept applications for  
10 enrollment by nonresident applicants residing within the same  
11 intermediate district for the next school year. If the district  
12 determines to accept applications for enrollment of a number of  
13 nonresidents, beyond those entitled to preference under this  
14 section, the district shall use the following procedures for  
15 accepting applications from and enrolling nonresidents:

16       (a) The district shall publish the grades, schools, and  
17 special programs, if any, for which enrollment may be available to,  
18 and for which applications will be accepted from, nonresident  
19 applicants residing within the same intermediate district.

20       (b) If the district has a limited number of positions  
21 available for nonresidents residing within the same intermediate  
22 district in a grade, school, or program, all of the following apply  
23 to accepting applications for and enrollment of nonresidents in  
24 that grade, school, or program:

25       (i) The district shall do all of the following not later than  
26 the second Friday in August:

27       (A) Provide notice to the general public that applications  
28 will be taken for a period of at least 15 calendar days but not  
29 more than 30 calendar days from nonresidents residing within the

1 same intermediate district for enrollment in that grade, school, or  
2 program. The notice must identify the dates of the application  
3 period and the place and manner for submitting applications.

4 (B) During the application period under sub-subparagraph (A),  
5 accept applications from nonresidents residing within the same  
6 intermediate district for enrollment in that grade, school, or  
7 program.

8 (C) Within 15 calendar days after the end of the application  
9 period under sub-subparagraph (A), using the procedures and  
10 preferences required under this section, determine which  
11 nonresident applicants will be allowed to enroll in that grade,  
12 school, or program, using the random draw system required under  
13 subsection (13) as necessary, and notify the parent or legal  
14 guardian of each nonresident applicant of whether or not the  
15 applicant may enroll in the district. The notification to parents  
16 or legal guardians of nonresident applicants accepted for  
17 enrollment must contain notification of the date by which the  
18 applicant must enroll in the district and procedures for  
19 enrollment. The date for enrollment must be no later than the end  
20 of the first week of school.

21 (ii) Beginning on the third Monday in August and not later than  
22 the end of the first week of school, if any positions become  
23 available in a grade, school, or program due to accepted applicants  
24 failing to enroll or to more positions being added, the district  
25 may enroll nonresident applicants from the waiting list maintained  
26 under subsection (13), offering enrollment in the order that  
27 applicants appear on the waiting list. If there are still positions  
28 available after enrolling all applicants from the waiting list who  
29 desire to enroll, the district may not fill those positions until



1 the second semester or trimester enrollment under subsection (3),  
2 as provided under that subsection, or until the next school year.

3 (c) For a grade, school, or program that has an unlimited  
4 number of positions available for nonresidents residing within the  
5 same intermediate district, all of the following apply to  
6 enrollment of nonresidents in that grade, school, or program:

7 (i) The district may accept applications for enrollment in that  
8 grade, school, or program, and may enroll nonresidents residing  
9 within the same intermediate district in that grade, school, or  
10 program until the end of the first week of school. The district  
11 shall provide notice to the general public of the place and manner  
12 for submitting applications and, if the district has a limited  
13 application period, the notice must include the dates of the  
14 application period. The application period ~~shall~~**must** be at least a  
15 15-calendar-day period.

16 (ii) Not later than the end of the first week of school, the  
17 district shall notify the parent or legal guardian of each  
18 nonresident applicant who is accepted for enrollment that the  
19 applicant has been accepted for enrollment in the grade, school, or  
20 program and of the procedures for enrollment. The date for  
21 enrollment must be no later than the end of the first week of  
22 school.

23 (3) If a district determines during the first semester or  
24 trimester of a school year that it has positions available for  
25 enrollment of a number of nonresidents residing within the same  
26 intermediate district, beyond those entitled to preference under  
27 this section, for the second semester or trimester of the school  
28 year, the district may accept applications from and enroll  
29 nonresidents residing within the same intermediate district for the

1 second semester or trimester using the following procedures:

2 (a) Not later than 2 weeks before the end of the first  
3 semester or trimester, the district shall publish the grades,  
4 schools, and special programs, if any, for which enrollment for the  
5 second semester or trimester may be available to, and for which  
6 applications will be accepted from, nonresident applicants residing  
7 within the same intermediate district.

8 (b) During the last 2 weeks of the first semester or  
9 trimester, the district shall accept applications from nonresidents  
10 residing within the same intermediate district for enrollment for  
11 the second semester or trimester in the available grades, schools,  
12 and programs.

13 (c) By the beginning of the second semester or trimester,  
14 using the procedures and preferences required under this section,  
15 the district shall determine which nonresident applicants will be  
16 allowed to enroll in the district for the second semester or  
17 trimester and notify the parent or legal guardian of each  
18 nonresident applicant residing within the same intermediate  
19 district of whether or not the applicant may enroll in the  
20 district. The notification to parents or legal guardians of  
21 nonresident applicants accepted for enrollment must contain  
22 notification of the date by which the applicant must enroll in the  
23 district and procedures for enrollment. The date for enrollment  
24 must be no later than the end of the first week of school.

25 (4) If deadlines similar to those described in subsection (2)  
26 or (3) have been established in an intermediate district, and if  
27 those deadlines are not later than the deadlines under subsection  
28 (2) or (3), the districts within the intermediate district may use  
29 those deadlines.

1 (5) A district offering to enroll nonresident applicants  
2 residing within the same intermediate district may limit the number  
3 of nonresident pupils it accepts in a grade, school, or program, at  
4 its discretion, and may use that limit as the reason for refusal to  
5 enroll an applicant.

6 (6) A nonresident applicant residing within the same  
7 intermediate district must not be granted or refused enrollment  
8 based on intellectual, academic, artistic, or other ability,  
9 talent, or accomplishment, or lack thereof, or based on a mental or  
10 physical disability, except that a district may refuse to admit a  
11 nonresident applicant if the applicant does not meet the same  
12 criteria, other than residence, that an applicant who is a resident  
13 of the district must meet to be accepted for enrollment in a grade  
14 or a specialized, magnet, or intra-district choice school or  
15 program to which the applicant applies.

16 (7) A nonresident applicant residing within the same  
17 intermediate district must not be granted or refused enrollment  
18 based on age, except that a district may refuse to admit a  
19 nonresident applicant applying for a program that is not  
20 appropriate for the age of the applicant.

21 (8) A nonresident applicant residing within the same  
22 intermediate district must not be granted or refused enrollment  
23 based ~~upon~~**on** religion, race, color, national origin, sex, height,  
24 weight, marital status, or athletic ability, or, generally, in  
25 violation of any state or federal law prohibiting discrimination.

26 (9) Subject to subsection (10), a district may refuse to  
27 enroll a nonresident applicant if any of the following are met:

28 (a) The applicant is, or has been within the preceding 2  
29 years, suspended from another school.

1 (b) The applicant, at any time before enrolling under this  
2 section, has been expelled from another school.

3 (c) The applicant, at any time before enrolling under this  
4 section, has been convicted of a felony.

5 (10) If a district has counted a pupil in membership on either  
6 the pupil membership count day or the supplemental count day, the  
7 district shall not refuse to enroll or refuse to continue to enroll  
8 that pupil for a reason specified in subsection (9). This  
9 subsection does not prohibit a district from expelling a pupil  
10 described in this subsection for disciplinary reasons.

11 (11) A district shall continue to allow a pupil who was  
12 enrolled in and attended the district under this section in the  
13 school year or semester or trimester immediately preceding the  
14 school year or semester or trimester in question to enroll in the  
15 district until the pupil graduates from high school. This  
16 subsection does not prohibit a district from expelling a pupil  
17 described in this subsection for disciplinary reasons.

18 (12) A district shall give preference for enrollment under  
19 this section over all other nonresident applicants residing within  
20 the same intermediate district to other school-age children who  
21 reside in the same household as a pupil described in subsection  
22 (11).

23 (13) If the number of qualified nonresident applicants  
24 eligible for acceptance in a school, grade, or program does not  
25 exceed the positions available for nonresident pupils in the  
26 school, grade, or program, the school district shall accept for  
27 enrollment all of the qualified nonresident applicants eligible for  
28 acceptance. If the number of qualified nonresident applicants  
29 residing within the same intermediate district eligible for

1 acceptance exceeds the positions available in a grade, school, or  
2 program in a district for nonresident pupils, the district shall  
3 use a random draw system, subject to the need to abide by state and  
4 federal antidiscrimination laws and court orders and subject to  
5 preferences allowed by this section. The district shall develop and  
6 maintain a waiting list based on the order in which nonresident  
7 applicants were drawn under this random draw system.

8 (14) If a district, or the nonresident applicant, requests the  
9 district in which a nonresident applicant resides to supply  
10 information needed by the district for evaluating the applicant's  
11 application for enrollment or for enrolling the applicant, the  
12 district of residence shall provide that information on a timely  
13 basis.

14 (15) If a district is subject to a court-ordered desegregation  
15 plan, and if the court issues an order prohibiting pupils residing  
16 in that district from enrolling in another district or prohibiting  
17 pupils residing in another district from enrolling in that  
18 district, this section is subject to the court order.

19 (16) This section does not require a district to provide  
20 transportation for a nonresident pupil enrolled in the district  
21 under this section or for a resident pupil enrolled in another  
22 district under this section. However, at the time a nonresident  
23 pupil enrolls in the district, a district shall provide to the  
24 pupil's parent or legal guardian information on available  
25 transportation to and from the school in which the pupil enrolls.

26 (17) A district may participate in a cooperative education  
27 program with 1 or more other districts or intermediate districts  
28 whether or not the district enrolls any nonresidents under this  
29 section.

1           (18) A district that, under this section, enrolls a  
 2 nonresident pupil who is eligible for special education programs  
 3 and services according to statute or rule, or who is a child with a  
 4 disability, as that term is defined under the individuals with  
 5 disabilities education act, Public Law 108-446, is considered to be  
 6 the resident district of the pupil for the purpose of providing the  
 7 pupil with a free appropriate public education. Consistent with  
 8 state and federal law, that district is responsible for developing  
 9 and implementing an individualized education program annually for a  
 10 nonresident pupil described in this subsection.

11           (19) If a district does not comply with this section, the  
 12 district forfeits 5% of the total state school aid allocation to  
 13 the district under this act.

14           (20) Upon application by a district, the superintendent may  
 15 grant a waiver for the district from a specific requirement under  
 16 this section for not more than 1 year.

17           **(21) This section does not apply on or after July 1, 2025.**

18           Sec. 105c. (1) ~~In order to~~ To avoid a penalty under this  
 19 section, and ~~in order to~~ count a nonresident pupil residing in a  
 20 district located in a contiguous intermediate district in  
 21 membership without the approval of the pupil's district of  
 22 residence, a district must comply with this section.

23           (2) Except as otherwise provided in this section, a district  
 24 shall determine whether or not it will accept applications for  
 25 enrollment by nonresident applicants residing in a district located  
 26 in a contiguous intermediate district for the next school year. If  
 27 the district determines to accept applications for enrollment of a  
 28 number of nonresidents under this section, beyond those entitled to  
 29 preference under this section, the district shall use the following

1 procedures for accepting applications from and enrolling  
2 nonresidents under this section:

3 (a) The district shall publish the grades, schools, and  
4 special programs, if any, for which enrollment may be available to,  
5 and for which applications will be accepted from, nonresident  
6 applicants residing in a district located in a contiguous  
7 intermediate district.

8 (b) If the district has a limited number of positions  
9 available for nonresidents residing in a district located in a  
10 contiguous intermediate district in a grade, school, or program,  
11 all of the following apply to accepting applications for and  
12 enrollment of nonresidents under this section in that grade,  
13 school, or program:

14 (i) The district shall do all of the following not later than  
15 the second Friday in August:

16 (A) Provide notice to the general public that applications  
17 will be taken for a period of at least 15 calendar days but not  
18 more than 30 calendar days from nonresidents residing in a district  
19 located in a contiguous intermediate district for enrollment in  
20 that grade, school, or program. The notice must identify the dates  
21 of the application period and the place and manner for submitting  
22 applications.

23 (B) During the application period under sub-subparagraph (A),  
24 accept applications from nonresidents residing in a district  
25 located in a contiguous intermediate district for enrollment in  
26 that grade, school, or program.

27 (C) Within 15 calendar days after the end of the application  
28 period under sub-subparagraph (A), using the procedures and  
29 preferences required under this section, determine which

1 nonresident applicants will be allowed to enroll under this section  
2 in that grade, school, or program, using the random draw system  
3 required under subsection (13) as necessary, and notify the parent  
4 or legal guardian of each nonresident applicant of whether or not  
5 the applicant may enroll in the district. The notification to  
6 parents or legal guardians of nonresident applicants accepted for  
7 enrollment under this section must contain notification of the date  
8 by which the applicant must enroll in the district and procedures  
9 for enrollment. The date for enrollment must be no later than the  
10 end of the first week of school.

11 (ii) Beginning on the third Monday in August and not later than  
12 the end of the first week of school, if any positions become  
13 available in a grade, school, or program due to accepted applicants  
14 failing to enroll or to more positions being added, the district  
15 may enroll nonresident applicants from the waiting list maintained  
16 under subsection (13), offering enrollment in the order that  
17 applicants appear on the waiting list. If there are still positions  
18 available after enrolling all applicants from the waiting list who  
19 desire to enroll, the district may not fill those positions until  
20 the second semester or trimester enrollment under subsection (3),  
21 as provided under that subsection, or until the next school year.

22 (c) For a grade, school, or program that has an unlimited  
23 number of positions available for nonresidents residing in a  
24 district located in a contiguous intermediate district, all of the  
25 following apply to enrollment of nonresidents in that grade,  
26 school, or program under this section:

27 (i) The district may accept applications for enrollment in that  
28 grade, school, or program, and may enroll nonresidents residing in  
29 a district located in a contiguous intermediate district in that



1 grade, school, or program until the end of the first week of  
2 school. The district shall provide notice to the general public of  
3 the place and manner for submitting applications and, if the  
4 district has a limited application period, the notice must include  
5 the dates of the application period. The application period must be  
6 at least a 15-calendar-day period.

7 (ii) Not later than the end of the first week of school, the  
8 district shall notify the parent or legal guardian of each  
9 nonresident applicant who is accepted for enrollment under this  
10 section that the applicant has been accepted for enrollment in the  
11 grade, school, or program and of the date by which the applicant  
12 must enroll in the district and the procedures for enrollment. The  
13 date for enrollment must be no later than the end of the first week  
14 of school.

15 (3) If a district determines during the first semester or  
16 trimester of a school year that it has positions available for  
17 enrollment of a number of nonresidents residing in a district  
18 located in a contiguous intermediate district, beyond those  
19 entitled to preference under this section, for the second semester  
20 or trimester of the school year, the district may accept  
21 applications from and enroll nonresidents residing in a district  
22 located in a contiguous intermediate district for the second  
23 semester or trimester using the following procedures:

24 (a) Not later than 2 weeks before the end of the first  
25 semester or trimester, the district shall publish the grades,  
26 schools, and special programs, if any, for which enrollment for the  
27 second semester or trimester may be available to, and for which  
28 applications will be accepted from, nonresident applicants residing  
29 in a district located in a contiguous intermediate district.

1           (b) During the last 2 weeks of the first semester or  
2 trimester, the district shall accept applications from nonresidents  
3 residing in a district located in a contiguous intermediate  
4 district for enrollment for the second semester or trimester in the  
5 available grades, schools, and programs.

6           (c) By the beginning of the second semester or trimester,  
7 using the procedures and preferences required under this section,  
8 the district shall determine which nonresident applicants will be  
9 allowed to enroll under this section in the district for the second  
10 semester or trimester and notify the parent or legal guardian of  
11 each nonresident applicant residing in a district located in a  
12 contiguous intermediate district of whether or not the applicant  
13 may enroll in the district. The notification to parents or legal  
14 guardians of nonresident applicants accepted for enrollment must  
15 contain notification of the date by which the applicant must enroll  
16 in the district and procedures for enrollment. The date for  
17 enrollment must be no later than the end of the first week of  
18 school.

19           (4) If deadlines similar to those described in subsection (2)  
20 or (3) have been established in an intermediate district, and if  
21 those deadlines are not later than the deadlines under subsection  
22 (2) or (3), the districts within the intermediate district may use  
23 those deadlines.

24           (5) A district offering to enroll nonresident applicants  
25 residing in a district located in a contiguous intermediate  
26 district may limit the number of those nonresident pupils it  
27 accepts in a grade, school, or program, at its discretion, and may  
28 use that limit as the reason for refusal to enroll an applicant  
29 under this section.

1           (6) A nonresident applicant residing in a district located in  
2 a contiguous intermediate district must not be granted or refused  
3 enrollment based on intellectual, academic, artistic, or other  
4 ability, talent, or accomplishment, or lack thereof, or based on a  
5 mental or physical disability, except that a district may refuse to  
6 admit a nonresident applicant under this section if the applicant  
7 does not meet the same criteria, other than residence, that an  
8 applicant who is a resident of the district must meet to be  
9 accepted for enrollment in a grade or a specialized, magnet, or  
10 intra-district choice school or program to which the applicant  
11 applies.

12           (7) A nonresident applicant residing in a district located in  
13 a contiguous intermediate district must not be granted or refused  
14 enrollment under this section based on age, except that a district  
15 may refuse to admit a nonresident applicant applying for a program  
16 that is not appropriate for the age of the applicant.

17           (8) A nonresident applicant residing in a district located in  
18 a contiguous intermediate district must not be granted or refused  
19 enrollment under this section based upon religion, race, color,  
20 national origin, sex, height, weight, marital status, or athletic  
21 ability, or, generally, in violation of any state or federal law  
22 prohibiting discrimination.

23           (9) Subject to subsection (10), a district may refuse to  
24 enroll a nonresident applicant under this section if any of the  
25 following are met:

26           (a) The applicant is, or has been within the preceding 2  
27 years, suspended from another school.

28           (b) The applicant, at any time before enrolling under this  
29 section, has been expelled from another school.

1 (c) The applicant, at any time before enrolling under this  
2 section, has been convicted of a felony.

3 (10) If a district has counted a pupil in membership on either  
4 the pupil membership count day or the supplemental count day, the  
5 district shall not refuse to enroll or refuse to continue to enroll  
6 that pupil for a reason specified in subsection (9). This  
7 subsection does not prohibit a district from expelling a pupil  
8 described in this subsection for disciplinary reasons.

9 (11) A district shall continue to allow a pupil who was  
10 enrolled in and attended the district under this section in the  
11 school year or semester or trimester immediately preceding the  
12 school year or semester or trimester in question to enroll in the  
13 district until the pupil graduates from high school. This  
14 subsection does not prohibit a district from expelling a pupil  
15 described in this subsection for disciplinary reasons.

16 (12) A district shall give preference for enrollment under  
17 this section over all other nonresident applicants residing in a  
18 district located in a contiguous intermediate district to other  
19 school-age children who reside in the same household as a pupil  
20 described in subsection (11).

21 (13) If the number of qualified nonresident applicants  
22 eligible for acceptance under this section in a school, grade, or  
23 program does not exceed the positions available for nonresident  
24 pupils under this section in the school, grade, or program, the  
25 school district shall accept for enrollment all of the qualified  
26 nonresident applicants eligible for acceptance. If the number of  
27 qualified nonresident applicants residing in a district located in  
28 a contiguous intermediate district eligible for acceptance under  
29 this section exceeds the positions available in a grade, school, or

1 program in a district for nonresident pupils, the district shall  
2 use a random draw system, subject to the need to abide by state and  
3 federal antidiscrimination laws and court orders and subject to  
4 preferences allowed by this section. The district shall develop and  
5 maintain a waiting list based on the order in which nonresident  
6 applicants were drawn under this random draw system.

7 (14) If a district, or the nonresident applicant, requests the  
8 district in which a nonresident applicant resides to supply  
9 information needed by the district for evaluating the applicant's  
10 application for enrollment or for enrolling the applicant under  
11 this section, the district of residence shall provide that  
12 information on a timely basis.

13 (15) If a district is subject to a court-ordered desegregation  
14 plan, and if the court issues an order prohibiting pupils residing  
15 in that district from enrolling in another district or prohibiting  
16 pupils residing in another district from enrolling in that  
17 district, this section is subject to the court order.

18 (16) This section does not require a district to provide  
19 transportation for a nonresident pupil enrolled in the district  
20 under this section or for a resident pupil enrolled in another  
21 district under this section. However, at the time a nonresident  
22 pupil enrolls in the district, a district shall provide to the  
23 pupil's parent or legal guardian information on available  
24 transportation to and from the school in which the pupil enrolls.

25 (17) A district may participate in a cooperative education  
26 program with 1 or more other districts or intermediate districts  
27 whether or not the district enrolls any nonresidents pursuant to  
28 this section.

29 (18) ~~In order for~~ **For** a district or intermediate district to

1 enroll under this section a nonresident pupil who resides in a  
2 district located in a contiguous intermediate district and who is  
3 eligible for special education programs and services according to  
4 statute or rule, or who is a child with disabilities, as defined  
5 under the individuals with disabilities education act, Public Law  
6 108-446, the enrolling district shall have a written agreement with  
7 the resident district of the pupil for the purpose of providing the  
8 pupil with a free appropriate public education. The written  
9 agreement must include, but is not limited to, an agreement on the  
10 responsibility for the payment of the added costs of special  
11 education programs and services for the pupil. The written  
12 agreement must address how the agreement must be amended in the  
13 event of significant changes in the costs or level of special  
14 education programs or services required by the pupil.

15 (19) If a district does not comply with this section, the  
16 district forfeits 5% of the total state school aid allocation to  
17 the district under this act.

18 (20) Upon application by a district, the superintendent may  
19 grant a waiver for the district from a specific requirement under  
20 this section for not more than 1 year.

21 (21) This section is repealed if the final decision of a court  
22 of competent jurisdiction holds that any portion of this section is  
23 unconstitutional, ineffective, invalid, or in violation of federal  
24 law.

25 **(22) This section does not apply on or after July 1, 2025.**

26 **(23)** ~~(22)~~As used in this section, "district located in a  
27 contiguous intermediate district" means a district located in an  
28 intermediate district that is contiguous to the intermediate  
29 district in which a pupil's district of residence is located.

1           Sec. 105d. (1) Except as otherwise provided in this section,  
2 beginning on July 1, 2025, a district shall accept applications for  
3 enrollment by nonresident applicants.

4           (2) Beginning July 1, 2025, a nonresident applicant must not  
5 be refused enrollment based on intellectual, academic, artistic, or  
6 other ability, talent, or accomplishment, or lack thereof, or based  
7 on a mental or physical disability, except that a district may  
8 refuse to admit a nonresident applicant if the applicant does not  
9 meet the same criteria, other than residence, that an applicant who  
10 is a resident of the district must meet to be accepted for  
11 enrollment in a grade or a specialized, magnet program to which the  
12 applicant applies.

13           (3) Beginning July 1, 2025, a nonresident applicant must not  
14 be refused enrollment based on age, except that a district may  
15 refuse to admit a nonresident applicant applying for a program that  
16 is not appropriate for the age of the applicant.

17           (4) Beginning July 1, 2025, a nonresident applicant must not  
18 be refused enrollment based on residential address, district of  
19 residence, religion, race, color, national origin, sex, height,  
20 weight, marital status, or athletic ability, or, generally, in  
21 violation of any state or federal law prohibiting discrimination.

22           (5) Subject to subsection (6), a district may refuse to enroll  
23 a nonresident applicant if any of the following are met:

24           (a) The applicant is, or has been within the preceding 2  
25 years, suspended from another school.

26           (b) The applicant, at any time before enrolling under this  
27 section, has been expelled from another school.

28           (c) The applicant, at any time before enrolling under this  
29 section, has been convicted of a felony.

1           (6) If a district has counted a pupil in membership on either  
2 the pupil membership count day or the supplemental count day, the  
3 district shall not refuse to enroll or refuse to continue to enroll  
4 that pupil for a reason specified in subsection (5). This  
5 subsection does not prohibit a district from expelling a pupil  
6 described in this subsection for disciplinary reasons.

7           (7) A district shall continue to allow a pupil who was  
8 enrolled in and attended the district under this section, section  
9 105, or section 105c in the school year or semester or trimester  
10 immediately preceding the school year or semester or trimester in  
11 question to enroll in the district until the pupil graduates from  
12 high school. This subsection does not prohibit a district from  
13 expelling a pupil described in this subsection for disciplinary  
14 reasons.

15           (8) Beginning July 1, 2025, a district shall give preference  
16 for enrollment under this section over all other nonresident  
17 applicants to other school-age children who reside in the same  
18 household as a pupil described in subsection (7).

19           (9) Beginning July 1, 2025, if the number of nonresident  
20 applicants exceeds the seats available in a grade or school, as  
21 determined under subsection (16), the district shall develop and  
22 maintain a waiting list based on the order in which nonresident  
23 applicants applied.

24           (10) If a district is subject to a court-ordered desegregation  
25 plan, and if the court issues an order prohibiting pupils residing  
26 in that district from enrolling in another district or prohibiting  
27 pupils residing in another district from enrolling in that  
28 district, this section is subject to the court order.

29           (11) This section does not require a district to provide



1 transportation for a nonresident pupil enrolled in the district  
2 under this section or for a resident pupil enrolled in another  
3 district under this section. However, at the time a nonresident  
4 pupil enrolls in the district, a district shall provide to the  
5 pupil's parent or legal guardian information on available  
6 transportation to and from the school in which the pupil enrolls.

7 (12) A district may participate in a cooperative education  
8 program with 1 or more other districts or intermediate districts.

9 (13) A district that, under this section, enrolls a  
10 nonresident pupil who is eligible for special education programs  
11 and services according to statute or rule, or who is a child with a  
12 disability, as that term is defined under the individuals with  
13 disabilities education act, Public Law 108-446, is considered to be  
14 the resident district of the pupil for the purpose of providing the  
15 pupil with a free appropriate public education. Consistent with  
16 state and federal law, that district is responsible for developing  
17 and implementing an individualized education program annually for a  
18 nonresident pupil described in this subsection.

19 (14) Districts shall not charge tuition to nonresident  
20 students under this section.

21 (15) Beginning July 1, 2025, districts shall not place limits  
22 on the number or percentage of nonresident students enrolled in the  
23 district other than limits based on seats available as determined  
24 under subsection (16).

25 (16) By not later than May 1, 2025 and May 1 of each year  
26 thereafter, each district shall determine all of the following for  
27 each school in the district for the following school year:

28 (a) The number of seats available in each grade of each school  
29 in the district based on each school's maximum capacity. The number

1 of seats available must not be determined based on specialized  
2 programs.

3 (b) The number of students expected to attend school in the  
4 district.

5 (c) The number of seats available to nonresident students.

6 (17) By not later than May 1, 2025 and by May 1 of each year  
7 thereafter, each district shall publish both of the following on  
8 its public website:

9 (a) The number of seats available to nonresident students as  
10 determined under subsection (16).

11 (b) The methodology and data the district used to determine  
12 the number of seats available to nonresident students under  
13 subsection (16).

14 (18) Beginning July 1, 2025, each district shall do all of the  
15 following:

16 (a) Accept applications from nonresident students throughout  
17 the school year and, within 30 days of receiving an application,  
18 notify parents and legal guardians if the application has been  
19 accepted or denied.

20 (b) Approve and enroll nonresident student applicants at any  
21 time during the year if there are seats available in the requested  
22 grade level.

23 (c) By not later than June 30 of each year, report all of the  
24 following for the immediately preceding school year to the state  
25 board:

26 (i) The number of seats available at each grade level and  
27 school.

28 (ii) The number of transfer applications.

29 (iii) The number of accepted transferred students.

1 (iv) The number of denied applications.

2 (19) If a district denies or does not take action on a  
3 nonresident student application within the time frame described in  
4 subsection (18) (a), the parent or legal guardian of that student  
5 may appeal the denial or lack of action to the state board.

6 (20) By not later than September 1, 2026 and by September 1 of  
7 each year thereafter, the state board shall collect, analyze, and  
8 publish, to its public website, all of the following information  
9 for each district from the preceding school year:

10 (a) The number of seats available.

11 (b) Transfer data.

12 (c) The number of nonresident students.

13 (d) The number of applications received.

14 (e) The number of applications denied.

15 (f) The methodology and data used in determining seats  
16 available.

17 (21) By not later than September 1, 2025 and by September 1 of  
18 each year thereafter, the state board shall publish an open  
19 enrollment website link and other relevant information regarding  
20 open enrollment to its public website.

21 (22) By not later than February 1, 2027 and February 1 of each  
22 year thereafter, the state board shall prepare and provide a report  
23 to the legislature that contains all of the information described  
24 in subsections (20) and (21).

25 Sec. 111. A district having tuition pupils enrolled on the  
26 pupil membership count day of each year may charge the district of  
27 residence an amount for tuition that does not exceed the tuition  
28 rate computed under section 1401 of the revised school code, MCL  
29 380.1401. ~~The rate charged by a district shall be uniform within~~

1 ~~each category of tuition pupils enrolled in the district. However,~~  
2 ~~for a tuition pupil who resides in a K-5, K-6, or K-8 district and~~  
3 ~~who is enrolled in a grade not offered by the pupil's district of~~  
4 ~~residence, the tuition rate charged to the pupil's district of~~  
5 ~~residence shall not exceed the foundation allowance of the pupil's~~  
6 ~~district of residence or the foundation allowance of the educating~~  
7 ~~district, whichever is greater.~~