

# HOUSE BILL No. 4111

January 31, 2001, Introduced by Reps. Patterson, Toy, Kuipers, DeVuyst, Ruth Johnson, Voorhees, Julian and Stewart and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending section 20 (MCL 388.1620), as amended by 2000 PA  
297.

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

1       Sec. 20. (1) For 1999-2000, the basic foundation allowance  
2 is \$5,700.00 per membership pupil. For 2000-2001, the basic  
3 foundation allowance is \$6,000.00 per membership pupil. For  
4 2001-2002, the basic foundation allowance is \$6,300.00 per mem-  
5 bership pupil. For 2002-2003, the basic foundation allowance is  
6 \$6,700.00 per membership pupil.

7       (2) From the appropriation in section 11, there is allocated  
8 for 1999-2000 an amount not to exceed \$8,418,600,000.00 to  
9 guarantee each district a foundation allowance per membership  
10 pupil other than special education pupils and to make payments

1 under this section to public school academies and university  
2 schools for membership pupils other than special education  
3 pupils. The amount of each district's foundation allowance shall  
4 be calculated as provided in this section, using a basic founda-  
5 tion allowance in the amount specified in subsection (1). If the  
6 maximum amount allocated under this section is not sufficient to  
7 fully fund payments under this section, and before any proration  
8 required under section 11, the amount of the payment to each dis-  
9 trict, university school, and public school academy shall be pro-  
10 rated by reducing by an equal percentage the total payment under  
11 this section to each district, university school, and public  
12 school academy. However, if the department determines that pro-  
13 ration will be required under this section, the superintendent  
14 shall notify the state budget director, and the state budget  
15 director shall notify the legislature at least 30 calendar days  
16 or 6 legislative session days, whichever is more, before the  
17 department reduces any payments under this section because of the  
18 proration. During the 30 calendar day or 6 legislative session  
19 day period after that notification by the state budget director,  
20 the department shall not reduce any payments under this section  
21 because of proration. The legislature may prevent proration  
22 under this section from occurring by, within the 30 calendar day  
23 or 6 legislative session day period after that notification by  
24 the director, enacting legislation appropriating additional funds  
25 from the general fund, countercyclical budget and economic stabi-  
26 lization fund, state school aid fund balance, or another source

1 to ensure full foundation allowance funding for each district,  
2 university school, and public school academy.

3 (3) Except as otherwise provided in this section, the amount  
4 of a district's foundation allowance shall be calculated as fol-  
5 lows, using in all calculations the total amount of the  
6 district's foundation allowance as calculated before any  
7 proration:

8 (a) For a district that in the immediately preceding state  
9 fiscal year had a foundation allowance at least equal to the sum  
10 of \$4,200.00 plus the total dollar amount of all adjustments made  
11 from 1994-95 to the immediately preceding state fiscal year in  
12 the lowest foundation allowance among all districts, but less  
13 than the basic foundation allowance in the immediately preceding  
14 state fiscal year, the district shall receive a foundation allow-  
15 ance in an amount equal to the sum of the district's foundation  
16 allowance for the immediately preceding state fiscal year plus  
17 the difference between twice the dollar amount of the adjustment  
18 from the immediately preceding state fiscal year to the current  
19 state fiscal year made in the basic foundation allowance and  
20 [(the dollar amount of the adjustment from the immediately pre-  
21 ceding state fiscal year to the current state fiscal year made in  
22 the basic foundation allowance minus \$50.00) times (the differ-  
23 ence between the district's foundation allowance for the immedi-  
24 ately preceding state fiscal year and the sum of \$4,200.00 plus  
25 the total dollar amount of all adjustments made from 1994-95 to  
26 the immediately preceding state fiscal year in the lowest  
27 foundation allowance among all districts) divided by the

1 difference between the basic foundation allowance for the current  
2 state fiscal year and the sum of \$4,200.00 plus the total dollar  
3 amount of all adjustments made from 1994-95 to the immediately  
4 preceding state fiscal year in the lowest foundation allowance  
5 among all districts]. However, the foundation allowance for a  
6 district that had less than the basic foundation allowance in the  
7 immediately preceding state fiscal year shall not exceed the  
8 basic foundation allowance for the current state fiscal year.

9 (b) Except as otherwise provided in this subsection, for a  
10 district that in the immediately preceding state fiscal year had  
11 a foundation allowance in an amount at least equal to the amount  
12 of the basic foundation allowance for the immediately preceding  
13 state fiscal year, the district shall receive a foundation allow-  
14 ance in an amount equal to the sum of the district's foundation  
15 allowance for the immediately preceding state fiscal year plus  
16 the dollar amount of the adjustment from the immediately preced-  
17 ing state fiscal year to the current state fiscal year in the  
18 basic foundation allowance.

19 (c) Beginning in 1999-2000, for a district that in the  
20 1994-95 state fiscal year had a foundation allowance greater than  
21 \$6,500.00, the district's foundation allowance is an amount equal  
22 to the sum of the district's foundation allowance for the immedi-  
23 ately preceding state fiscal year plus the lesser of the increase  
24 in the basic foundation allowance for the current state fiscal  
25 year, as compared to the immediately preceding state fiscal year,  
26 or the product of the district's foundation allowance for the  
27 immediately preceding state fiscal year times the percentage

1 increase in the United States consumer price index in the  
2 calendar year ending in the immediately preceding fiscal year as  
3 reported by the May revenue estimating conference conducted under  
4 section 367b of the management and budget act, 1984 PA 431,  
5 MCL 18.1367b.

6 (d) For 1999-2000, each district's foundation allowance  
7 shall be at least \$5,700.00.

8 (e) Beginning in 2000-2001, for a district that has a foun-  
9 dation allowance that is not a whole dollar amount, the  
10 district's foundation allowance shall be rounded up to the near-  
11 est whole dollar.

12 (F) FOR 2001-2002, A DISTRICT'S FOUNDATION ALLOWANCE SHALL  
13 BE \$9,000.00 IF THE DEPARTMENT DETERMINES THAT THE DISTRICT MEETS  
14 ALL OF THE FOLLOWING:

15 (i) IS LOCATED IN WHOLE OR IN PART IN A COUNTY WITH A POPU-  
16 LATION GREATER THAN 2,000,000.

17 (ii) HAS TERRITORY OF MORE THAN 1 CITY, VILLAGE, OR TOWNSHIP  
18 LOCATED WITHIN ITS BOUNDARIES.

19 (iii) HAS A 2000-2001 MEMBERSHIP GREATER THAN 15,000.

20 (iv) OPERATES AT LEAST 2 HIGH SCHOOLS, AT LEAST 5 MIDDLE  
21 SCHOOLS, AND AT LEAST 12 ELEMENTARY SCHOOLS.

22 (v) HAS AN AVERAGE CLASSROOM PUPIL TO TEACHER RATIO OF NOT  
23 LESS THAN 23 TO 1.

24 (vi) LESS THAN 8% OF ITS PUPILS MET THE INCOME ELIGIBILITY  
25 CRITERIA FOR THE FEDERAL FREE AND REDUCED PRICE LUNCH PROGRAM FOR  
26 THE IMMEDIATELY PRECEDING SCHOOL YEAR.

1           (vii) HAS AN AVERAGE TEACHER SALARY OF AT LEAST \$55,000.00  
2 FOR THE SCHOOL YEAR.

3           (viii) HAS A DROPOUT RATE OF LESS THAN 3.2%, AS CALCULATED  
4 BY THE DEPARTMENT FOR THE IMMEDIATELY PRECEDING SCHOOL YEAR.

5           (ix) HAS A GRADUATION RATE OF AT LEAST 90%, AS CALCULATED BY  
6 THE DEPARTMENT FOR THE IMMEDIATELY PRECEDING SCHOOL YEAR.

7           (x) HAD A FOUNDATION ALLOWANCE FOR 1999-2000 OF MORE THAN  
8 \$6,200.00.

9           (G) ~~(f)~~ Beginning in 2002-2003, for a district that  
10 receives a payment under section 22c for 2001-2002, the  
11 district's 2001-2002 foundation allowance shall be considered to  
12 have been an amount equal to the sum of the district's actual  
13 2001-2002 foundation allowance as otherwise calculated under this  
14 section plus the per pupil amount of the district's equity pay-  
15 ment for 2001-2002 under section 22c.

16           (4) To ensure that a district receives the district's foun-  
17 dation allowance, there is allocated to each district a state  
18 portion of the district's foundation allowance in an amount cal-  
19 culated under this subsection. Except as otherwise provided in  
20 this subsection, the state portion of a district's foundation  
21 allowance is an amount equal to the district's foundation allow-  
22 ance or \$6,500.00, whichever is less, minus the difference  
23 between the product of the taxable value per membership pupil of  
24 all property in the district that is not a homestead or qualified  
25 agricultural property times the lesser of 18 mills or the number  
26 of mills of school operating taxes levied by the district in  
27 1993-94 and the quotient of the ad valorem property tax revenue

1 of the district captured under 1975 PA 197, MCL 125.1651 to  
2 125.1681, the tax increment finance authority act, 1980 PA 450,  
3 MCL 125.1801 to 125.1830, the local development financing act,  
4 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield redevelop-  
5 opment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,  
6 divided by the district's membership excluding special education  
7 pupils. Beginning in 1999-2000, for a district described in  
8 subsection (3)(c), the state portion of the district's foundation  
9 allowance is an amount equal to \$6,962.00 plus the difference  
10 between the district's foundation allowance for the current state  
11 fiscal year and the district's foundation allowance for 1998-99,  
12 minus the difference between the product of the taxable value per  
13 membership pupil of all property in the district that is not a  
14 homestead or qualified agricultural property times the lesser of  
15 18 mills or the number of mills of school operating taxes levied  
16 by the district in 1993-94 and the quotient of the ad valorem  
17 property tax revenue of the district captured under 1975 PA 197,  
18 MCL 125.1651 to 125.1681, the tax increment finance authority  
19 act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development  
20 financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the  
21 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651  
22 to 125.2672, divided by the district's membership excluding spe-  
23 cial education pupils. For a district that has a millage reduc-  
24 tion required under section 31 of article IX of the state consti-  
25 tution of 1963, the state portion of the district's foundation  
26 allowance shall be calculated as if that reduction did not  
27 occur. The \$6,500.00 amount prescribed in this subsection shall

1 be adjusted each year by an amount equal to the dollar amount of  
2 the difference between the basic foundation allowance for the  
3 current state fiscal year and \$5,000.00. However, beginning in  
4 2002-2003, the \$6,500.00 amount prescribed in this subsection  
5 shall be adjusted each year by an amount equal to the dollar  
6 amount of the difference between the basic foundation allowance  
7 for the current state fiscal year and \$5,000.00, minus \$200.00.

8 (5) The allocation under this section for a pupil shall be  
9 based on the foundation allowance of the pupil's district of  
10 residence. However, for a pupil enrolled pursuant to section 105  
11 or 105c in a district other than the pupil's district of resi-  
12 dence, the allocation under this section shall be based on the  
13 lesser of the foundation allowance of the pupil's district of  
14 residence or the foundation allowance of the educating district.  
15 For a pupil in membership in a K-5, K-6, or K-8 district who is  
16 enrolled in another district in a grade not offered by the  
17 pupil's district of residence, the allocation under this section  
18 shall be based on the foundation allowance of the educating dis-  
19 trict if the educating district's foundation allowance is greater  
20 than the foundation allowance of the pupil's district of  
21 residence. Beginning in 1999-2000, the calculation under this  
22 subsection shall take into account a district's per pupil alloca-  
23 tion under section 20j(2).

24 (6) Subject to subsection (7) and except as otherwise pro-  
25 vided in this subsection, for pupils in membership, other than  
26 special education pupils, in a public school academy or a  
27 university school, there is allocated under this section each



1 fiscal year for 1999-2000, for 2000-2001, for 2001-2002, and for  
2 2002-2003 to the authorizing body that is the fiscal agent for  
3 the public school academy for forwarding to the public school  
4 academy, or to the board of the public university operating the  
5 university school, an amount per membership pupil other than spe-  
6 cial education pupils in the public school academy or university  
7 school equal to the sum of the local school operating revenue per  
8 membership pupil other than special education pupils for the dis-  
9 trict in which the public school academy or university school is  
10 located and the state portion of that district's foundation  
11 allowance, or the sum of the basic foundation allowance under  
12 subsection (1) plus \$500.00, whichever is less. However, begin-  
13 ning in 2002-2003, this \$500.00 amount shall instead be \$300.00.  
14 Notwithstanding section 101(2), for a public school academy that  
15 begins operations in 1999-2000, 2000-2001, 2001-2002, or  
16 2002-2003, as applicable, after the pupil membership count day,  
17 the amount per membership pupil calculated under this subsection  
18 shall be adjusted by multiplying that amount per membership pupil  
19 by the number of hours of pupil instruction provided by the  
20 public school academy after it begins operations, as determined  
21 by the department, divided by the minimum number of hours of  
22 pupil instruction required under section 1284 of the revised  
23 school code, MCL 380.1284. The result of this calculation shall  
24 not exceed the amount per membership pupil otherwise calculated  
25 under this subsection.

26 (7) If more than 25% of the pupils residing within a  
27 district are in membership in 1 or more public school academies

1 located in the district, then the amount per membership pupil  
2 allocated under this section to the authorizing body that is the  
3 fiscal agent for a public school academy located in the district  
4 for forwarding to the public school academy shall be reduced by  
5 an amount equal to the difference between the product of the tax-  
6 able value per membership pupil of all property in the district  
7 that is not a homestead or qualified agricultural property times  
8 the lesser of 18 mills or the number of mills of school operating  
9 taxes levied by the district in 1993-94 and the quotient of the  
10 ad valorem property tax revenue of the district captured under  
11 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance  
12 authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local  
13 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174,  
14 or the brownfield redevelopment financing act, 1996 PA 381,  
15 MCL 125.2651 to 125.2672, divided by the district's membership  
16 excluding special education pupils, in the school fiscal year  
17 ending in the current state fiscal year, calculated as if the  
18 resident pupils in membership in 1 or more public school acade-  
19 mies located in the district were in membership in the district.  
20 In order to receive state school aid under this act, a district  
21 described in this subsection shall pay to the authorizing body  
22 that is the fiscal agent for a public school academy located in  
23 the district for forwarding to the public school academy an  
24 amount equal to that local school operating revenue per member-  
25 ship pupil for each resident pupil in membership other than spe-  
26 cial education pupils in the public school academy, as determined  
27 by the department.

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

16 (9) For a district that had combined state and local revenue  
17 per membership pupil in the 1993-94 state fiscal year of more  
18 than \$6,500.00 and that had fewer than 350 pupils in membership,  
19 if the district elects not to reduce the number of mills from  
20 which a homestead and qualified agricultural property are exempt  
21 and not to levy school operating taxes on a homestead and quali-  
22 fied agricultural property as provided in section 1211(1) of the  
23 revised school code, MCL 380.1211, and not to levy school operat-  
24 ing taxes on all property as provided in section 1211(2) of the  
25 revised school code, MCL 380.1211, there is allocated under this  
26 subsection for 1994-95 and each succeeding fiscal year a separate  
27 supplemental payment in an amount equal to the amount the

1 district would have received per membership pupil had it levied  
2 school operating taxes on a homestead and qualified agricultural  
3 property at the rate authorized for the district under  
4 section 1211(1) of the revised school code, MCL 380.1211, and  
5 levied school operating taxes on all property at the rate autho-  
6 rized for the district under section 1211(2) of the revised  
7 school code, MCL 380.1211, as determined by the department of  
8 treasury. If in the calendar year ending in the fiscal year a  
9 district does not levy 18 mills or the number of mills of school  
10 operating taxes levied by the district in 1993, whichever is  
11 less, on property that is not a homestead or qualified agricul-  
12 tural property, the payment under this subsection will be reduced  
13 by the same percentage as the millage actually levied compares to  
14 the 18 mills or the number of mills levied in 1993, whichever is  
15 less.

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

20 (11) For a district that is formed or reconfigured after  
21 June 1, 1994 by consolidation of 2 or more districts or by annex-  
22 ation, the resulting district's foundation allowance under this  
23 section beginning after the effective date of the consolidation  
24 or annexation shall be the average of the foundation allowances  
25 of each of the original or affected districts, calculated as pro-  
26 vided in this section, weighted as to the percentage of pupils in  
27 total membership in the resulting district who reside in the

1 geographic area of each of the original districts. If an  
2 affected district's foundation allowance is less than the basic  
3 foundation allowance, the amount of that district's foundation  
4 allowance shall be considered for the purpose of calculations  
5 under this subsection to be equal to the amount of the basic  
6 foundation allowance.

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

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

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

20 (a) The pupil membership factor shall be computed by divid-  
21 ing the estimated membership in the school year ending in the  
22 current state fiscal year, excluding intermediate district mem-  
23 bership, by the estimated membership for the school year ending  
24 in the subsequent state fiscal year, excluding intermediate dis-  
25 trict membership. If a consensus membership factor is not deter-  
26 mined at the revenue estimating conference, the principals of the  
27 revenue estimating conference shall report their estimates to the

1 house and senate subcommittees responsible for school aid  
2 appropriations not later than 7 days after the conclusion of the  
3 revenue conference.

4       (b) The revenue adjustment factor shall be computed by  
5 dividing the sum of the estimated total state school aid fund  
6 revenue for the subsequent state fiscal year plus the estimated  
7 total state school aid fund revenue for the current state fiscal  
8 year, adjusted for any change in the rate or base of a tax the  
9 proceeds of which are deposited in that fund and excluding money  
10 transferred into that fund from the countercyclical budget and  
11 economic stabilization fund under section 353e of the management  
12 and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the  
13 estimated total school aid fund revenue for the current state  
14 fiscal year plus the estimated total state school aid fund reve-  
15 nue for the immediately preceding state fiscal year, adjusted for  
16 any change in the rate or base of a tax the proceeds of which are  
17 deposited in that fund. If a consensus revenue factor is not  
18 determined at the revenue estimating conference, the principals  
19 of the revenue estimating conference shall report their estimates  
20 to the house and senate subcommittees responsible for school aid  
21 appropriations not later than 7 days after the conclusion of the  
22 revenue conference.

23       (c) The index shall be calculated by multiplying the pupil  
24 membership factor by the revenue adjustment factor. If a consen-  
25 sus index is not determined at the revenue estimating conference,  
26 the principals of the revenue estimating conference shall report  
27 their estimates to the house and senate subcommittees responsible

1 for school aid appropriations not later than 7 days after the  
2 conclusion of the revenue conference.

3 (15) If the principals at the revenue estimating conference  
4 reach a consensus on the index described in subsection (14)(c),  
5 the basic foundation allowance for the subsequent state fiscal  
6 year shall be at least the amount of that consensus index multi-  
7 plied by the basic foundation allowance specified in subsection  
8 (1).

9 (16) If at the January revenue estimating conference it is  
10 estimated that pupil membership, excluding intermediate district  
11 membership, for the subsequent state fiscal year will be greater  
12 than 101% of the pupil membership, excluding intermediate dis-  
13 trict membership, for the current state fiscal year, then it is  
14 the intent of the legislature that the executive budget proposal  
15 for the school aid budget for the subsequent state fiscal year  
16 include a general fund/general purpose allocation sufficient to  
17 support the membership in excess of 101% of the current year  
18 pupil membership.

19 (17) Beginning in 1999-2000, for a district that had com-  
20 bined state and local revenue per membership pupil in the 1993-94  
21 state fiscal year of more than \$6,500.00, that had fewer than 7  
22 pupils in membership in the 1993-94 state fiscal year, that has  
23 at least 1 child educated in the district in the current state  
24 fiscal year, and that levies the number of mills of school oper-  
25 ating taxes authorized for the district under section 1211 of the  
26 revised school code, MCL 380.1211, the district shall be  
27 allocated a minimum amount of combined state and local revenue as

1 provided under this subsection. The minimum amount of combined  
2 state and local revenue for 1999-2000 shall be \$67,000.00 plus  
3 the district's additional expenses to educate pupils in grades 9  
4 to 12 educated in other districts as determined and allowed by  
5 the department. Beginning in 2000-2001, the minimum amount of  
6 combined state and local revenue under this subsection, before  
7 adding the additional expenses, shall increase each fiscal year  
8 by the same percentage increase as the percentage increase in the  
9 basic foundation allowance from the immediately preceding fiscal  
10 year to the current fiscal year. The state portion of the mini-  
11 mum amount of combined state and local revenue under this subsec-  
12 tion shall be calculated by subtracting from the minimum amount  
13 of combined state and local revenue under this subsection the sum  
14 of the district's local school operating revenue and the product  
15 of the state portion of the district's foundation allowance times  
16 the district's membership. As used in this subsection,  
17 "additional expenses" means the district's expenses for tuition  
18 or fees, not to exceed \$6,500.00 as adjusted each year by an  
19 amount equal to the dollar amount of the difference between the  
20 basic foundation allowance for the current state fiscal year and  
21 \$5,000.00, plus a room and board stipend not to exceed \$10.00 per  
22 school day for each pupil in grades 9 to 12 educated in another  
23 district, as approved by the department. However, beginning in  
24 2002-2003, the \$6,500.00 amount prescribed in this subsection  
25 shall be adjusted each year by an amount equal to the dollar  
26 amount of the difference between the basic foundation allowance  
27 for the current state fiscal year and \$5,000.00, minus \$200.00.



1           (18) For a district in which 7.75 mills levied in 1992 for  
2 school operating purposes in the 1992-93 school year were not  
3 renewed in 1993 for school operating purposes in the 1993-94  
4 school year, the district's combined state and local revenue per  
5 membership pupil shall be recalculated as if that millage reduc-  
6 tion did not occur and, beginning in 2000-2001, the district's  
7 foundation allowance shall be calculated as if its 1994-95 foun-  
8 dation allowance had been calculated using that recalculated  
9 1993-94 combined state and local revenue per membership pupil as  
10 a base. A district is not entitled to any retroactive payments  
11 for fiscal years before 2000-2001 due to this subsection.

12           (19) Beginning in 2000-2001, payments to districts, univer-  
13 sity schools, or public school academies shall not be made under  
14 this section. Rather, the calculations under this section shall  
15 be used to determine the amount of state payments under section  
16 22b.

17           (20) From the allocation in subsection (2), the department  
18 may expend funds to pay for necessary costs associated with  
19 resolving matters pending in federal court impacting payments to  
20 districts.

21           (21) If an amendment to section 2 of article VIII of the  
22 state constitution of 1963 allowing state aid to some or all non-  
23 public schools is approved by the voters of this state, each  
24 foundation allowance or per pupil payment calculation under this  
25 section may be reduced.

26           (22) As used in this section:

1 (a) "Combined state and local revenue" means the aggregate  
2 of the district's state school aid received by or paid on behalf  
3 of the district under this section and the district's local  
4 school operating revenue.

5 (b) "Combined state and local revenue per membership pupil"  
6 means the district's combined state and local revenue divided by  
7 the district's membership excluding special education pupils.

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

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

12 (e) "Immediately preceding state fiscal year" means the  
13 state fiscal year immediately preceding the current state fiscal  
14 year.

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

18 (g) "Local school operating revenue per membership pupil"  
19 means a district's local school operating revenue divided by the  
20 district's membership excluding special education pupils.

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

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

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

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

7 (l) "Taxable value per membership pupil" means taxable  
8 value, as certified by the department of treasury, for the calen-  
9 dar year ending in the current state fiscal year divided by the  
10 district's membership excluding special education pupils for the  
11 school year ending in the current state fiscal year.