

HOUSE BILL No. 5697

March 17, 1998, Introduced by Reps. LaForge, Schauer, Bogardus, Mans, Gire, Cherry, Thomas, Callahan, Leland, Quarles, Kelly, Vaughn, Scott and Agee and referred to the Committee on Education.

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 11, 25, and 31a (MCL 388.1611, 388.1625, and 388.1631a), sections 11 and 31a as amended by 1997 PA 142 and section 25 as amended by 1997 PA 93.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) For the fiscal year ending September 30, 1998,
2 there is appropriated for the public schools of this state and
3 certain other state purposes relating to education the sum of
4 \$8,717,471,600.00 from the state school aid fund established by
5 section 11 of article IX of the state constitution of 1963 and
6 the sum of \$377,935,400.00 from the general fund. For the fiscal
7 year ending September 30, 1999, there is appropriated for the
8 public schools of this state and certain other state purposes
9 relating to education the sum of \$9,036,198,400.00 from the state

1 school aid fund established by section 11 of article IX of the
2 state constitution of 1963 and the sum of ~~\$420,613,500.00~~
3 \$490,613,500.00 from the general fund. In addition, available
4 federal funds are appropriated for 1997-98 and for 1998-99.

5 (2) The appropriations under this section shall be allocated
6 as provided in this act. Money appropriated under this section
7 from the general fund and from available federal funds shall be
8 expended to fund the purposes of this act before the expenditure
9 of money appropriated under this section from the state school
10 aid fund. If the maximum amount appropriated under this section
11 from the state school aid fund for a fiscal year exceeds the
12 amount necessary to fully fund allocations under this act from
13 the state school aid fund, that excess amount shall not be
14 expended in that state fiscal year and shall not lapse to the
15 general fund, but instead shall remain in the state school aid
16 fund.

17 (3) If the maximum amount appropriated under this section
18 and sections 11f and 11g from the state school aid fund for a
19 fiscal year exceeds the amount available for expenditure from the
20 state school aid fund for that fiscal year, payments under sec-
21 tions 11f, 11g, and 51a(2) shall be made in full and payments
22 under each of the other sections of this act shall be prorated on
23 an equal percentage basis as necessary to reflect the amount
24 available for expenditure from the state school aid fund for that
25 fiscal year. However, if the department of treasury determines
26 that proration will be required under this subsection, the
27 department of treasury shall notify the director of the

1 department of management and budget, and the director of the
2 department of management and budget shall notify the legislature
3 at least 30 calendar days or 6 legislative session days, which-
4 ever is more, before the department reduces any payments under
5 this act because of the proration. During the 30 calendar day or
6 6 legislative session day period after that notification by the
7 director of the department of management and budget, the depart-
8 ment shall not reduce any payments under this act because of pro-
9 ration under this subsection. The legislature may prevent prora-
10 tion from occurring by, within the 30 calendar day or 6 legisla-
11 tive session day period after that notification by the department
12 of management and budget, enacting legislation appropriating
13 additional funds from the general fund, countercyclical budget
14 and economic stabilization fund, state school aid fund balance,
15 or another source to fund the amount of the projected shortfall.

16 Sec. 25. If a pupil is enrolled in an alternative education
17 program operated by an intermediate district, ~~or~~ district, ~~for~~
18 ~~middle school or high school pupils, or both,~~ OR CONSORTIUM FOR
19 PUPILS who have been expelled FROM SCHOOL FOR ANY REASON under
20 ~~section 1311 of~~ the revised school code, ~~MCL 380.1311,~~ the
21 intermediate district, ~~or~~ district, OR CONSORTIUM operating the
22 program shall report the enrollment information to the department
23 and to the district in which the pupil is counted in membership,
24 and the district in which the pupil is counted in membership
25 shall pay to the intermediate district, ~~or~~ district, OR
26 CONSORTIUM operating the program an amount equal to the amount of
27 ~~the foundation allowance~~ TOTAL STATE SCHOOL AID ATTRIBUTABLE TO

1 THE PUPIL received by the district in which the pupil is counted
2 in membership, prorated according to the number of days of the
3 school year ending in the fiscal year the pupil is educated in
4 the alternative education program compared to the number of days
5 of the school year ending in the fiscal year the pupil was actu-
6 ally enrolled in the district in which the pupil is counted in
7 membership. If a district does not make the payment required
8 under this section within 30 days after receipt of the report,
9 the department shall calculate the amount owed, shall deduct that
10 amount from the remaining state school aid payments to the dis-
11 trict for that fiscal year under this act, and shall pay that
12 amount to the intermediate district, ~~or~~ district, OR CONSORTIUM
13 operating the alternative education program. The district in
14 which the pupil is counted in membership and the intermediate
15 district, ~~or~~ district, OR CONSORTIUM operating the alternative
16 education program shall provide to the department all information
17 the department requires to enforce this section.

18 Sec. 31a. (1) From the state school aid fund money appro-
19 priated in section 11, there is allocated for 1997-98 an amount
20 not to exceed \$250,000,000.00, and for 1998-99 an amount not to
21 exceed ~~-\$260,000,000.00-~~ \$330,000,000.00, for payments to eligi-
22 ble districts and eligible public school academies under this
23 section. Subject to subsection (11), the amount of the addi-
24 tional allowance under this section shall be based on the number
25 of actual pupils in membership in the district or public school
26 academy who met the income eligibility criteria for free OR
27 REDUCED-PRICE breakfast, lunch, or milk in the immediately

1 preceding state fiscal year, as determined under the national
2 school lunch act, chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to
3 1753, 1755 to 1761, 1762a, 1765 to 1766b, 1769, 1769b to 1769c,
4 and 1769f to 1769h, and reported to the department by October 31
5 of the immediately preceding fiscal year and adjusted not later
6 than December 31 of the immediately preceding fiscal year.

7 However, for a public school academy that began operations as a
8 public school academy after the pupil membership count day of the
9 immediately preceding school year, the basis for the additional
10 allowance under this section shall be the number of actual pupils
11 in membership in the public school academy who met the income
12 eligibility criteria for free OR REDUCED-PRICE breakfast, lunch,
13 or milk in the current state fiscal year, as determined under the
14 national school lunch act.

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

20 (a) The district's or public school academy's combined state
21 and local revenue per membership pupil in the current state
22 fiscal year, as calculated under section 20, is less than or
23 equal to \$6,500.00 adjusted by the dollar amount of the differ-
24 ence between the basic foundation allowance under section 20 for
25 the current state fiscal year and \$5,000.00.

26 (b) The district or public school academy agrees to use the
27 funding only for purposes allowed under this section and to

1 comply with the program and accountability requirements under
2 this section.

3 (3) Except as otherwise provided in this subsection, an eli-
4 gible district or eligible public school academy shall receive
5 under this section for each membership pupil in the district or
6 public school academy who met the income eligibility criteria for
7 free OR REDUCED-PRICE breakfast, lunch, or milk, as determined
8 under the national school lunch act and as reported to the
9 department by October 31 of the immediately preceding fiscal year
10 and adjusted not later than December 31 of the immediately pre-
11 ceding fiscal year, an amount per pupil equal to 11.5% of the
12 district's foundation allowance or public school academy's per
13 pupil allocation under section 20, not to exceed \$6,500.00
14 adjusted by the dollar amount of the difference between the basic
15 foundation allowance under section 20 for the current state
16 fiscal year and \$5,000.00, or of the public school academy's per
17 membership pupil allocation under section 20 for the current
18 state fiscal year. A public school academy that began operations
19 as a public school academy after the pupil membership count day
20 of the immediately preceding school year shall receive under this
21 section for each membership pupil in the public school academy
22 who met the income eligibility criteria for free OR REDUCED-PRICE
23 breakfast, lunch, or milk, as determined under the national
24 school lunch act and as reported to the department by October 31
25 of the current fiscal year and adjusted not later than December
26 31 of the current fiscal year, an amount per pupil equal to 11.5%

1 of the public school academy's per membership pupil allocation
2 under section 20 for the current state fiscal year.

3 (4) Except as otherwise provided in this section, a district
4 or public school academy receiving funding under this section
5 shall use that money only to provide instructional programs and
6 direct noninstructional services, including, but not limited to,
7 medical or counseling services, for at-risk pupils and for the
8 purposes of subsection (5) or section 31c and shall not use any
9 of that money for administrative costs or to supplant another
10 program or other funds, except for funds allocated to the dis-
11 trict or public school academy under this section in the immedi-
12 ately preceding year and already being used by the district or
13 public school academy for at-risk pupils. The instruction or
14 direct noninstructional services provided under this section may
15 be conducted before or after regular school hours or by adding
16 extra school days to the school year and may be conducted using a
17 tutorial method, with paraprofessionals working under the super-
18 vision of a certificated teacher. The ratio of pupils to para-
19 professionals shall be between 10:1 and 15:1. Only 1 certifi-
20 cated teacher is required to supervise instruction using a tuto-
21 rial method. As used in this subsection, "to supplant another
22 program" means to take the place of a previously existing
23 instructional program or direct noninstructional services funded
24 from a funding source other than funding under this section.

25 (5) A district or public school academy that receives funds
26 under this section and that operates a school breakfast program
27 under section 1272a of the revised school code, MCL 380.1272a,

1 shall use from the funds received under this section an amount,
2 not to exceed \$10.00 per pupil for whom the district or public
3 school academy receives funds under this section, necessary to
4 operate the school breakfast program. A district or public
5 school academy that receives funds under this section and that
6 operates a school lunch program under section 1272a of the
7 revised school code, MCL 380.1272a, shall use from the funds
8 received under this section an amount, not to exceed \$10.00 per
9 pupil for whom the district or public school academy receives
10 funds under this section, necessary to operate the school lunch
11 program.

12 (6) Each district or public school academy receiving funds
13 under this section shall submit to the department by May 20 of
14 each fiscal year a report, not to exceed 10 pages, on the usage
15 by the district or public school academy of funds under this sec-
16 tion, which report shall include at least a brief description of
17 each program conducted by the district or public school academy
18 using funds under this section, the amount of funds under this
19 section allocated to each of those programs, and the number of
20 at-risk pupils served by each of those programs. If a district
21 or public school academy does not comply with this subsection,
22 the department shall withhold an amount equal to the June payment
23 due under this section until the district or public school acad-
24 emy complies with this subsection. If the district or public
25 school academy does not comply with this subsection by the end of
26 the state fiscal year, the withheld funds shall be forfeited to
27 the school aid fund.

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

7 (8) Subject to subsection (5), any district may use up to
8 100% of the funds it receives under this section to reduce the
9 ratio of pupils to teachers in grades K-6, or any combination of
10 those grades, in school buildings in which the percentage of
11 pupils described in subsection (1) exceeds the district's aggre-
12 gate percentage of those pupils. Subject to subsection (5), if a
13 district obtains a waiver from the department, the district may
14 use up to 100% of the funds it receives under this section to
15 reduce the ratio of pupils to teachers in grades K-6, or any com-
16 bination of those grades, in school buildings in which the per-
17 centage of pupils described in subsection (1) is at least 60% of
18 the district's aggregate percentage of those pupils and at least
19 30% of the total number of pupils enrolled in the school
20 building. To obtain a waiver, a district must apply to the
21 department and demonstrate to the satisfaction of the department
22 that the class size reductions would be in the best interests of
23 the district's at-risk pupils.

24 (9) For 1997-98, a district that is located in a county with
25 a population of more than 350,000 and less than 480,000 and that
26 has more than 10,000 pupils in membership shall expend funds
27 received under this section, other than the amount described in

1 subsection (5), attributable to pupils enrolled in grades K-3 for
2 the purpose of reducing class size in grades K-3 in the district
3 to an average of not more than 17 pupils per class, with not more
4 than 19 pupils in any particular class, in each school building
5 in the district in which pupils described in subsection (1) con-
6 stitute at least 25% of the total number of pupils in the
7 building.

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

12 (11) If necessary, and before any proration required under
13 section 11, the department shall prorate payments under this sec-
14 tion by reducing the amount of the per pupil payment under this
15 section by a dollar amount calculated by determining the amount
16 by which the amount necessary to fully fund the requirements of
17 this section exceeds the maximum amount allocated under this sec-
18 tion and then dividing that amount by the total statewide number
19 of pupils who met the income eligibility criteria for free OR
20 REDUCED-PRICE breakfast, lunch, or milk in the immediately pre-
21 ceding fiscal year, as described in subsection (1).

22 (12) If a district is formed by consolidation after June 1,
23 1995, and if 1 or more of the original districts was not eligible
24 before the consolidation for an additional allowance under this
25 section, the amount of the additional allowance under this sec-
26 tion for the consolidated district shall be based on the number
27 of pupils described in subsection (1) enrolled in the

1 consolidated district who reside in the territory of an original
2 district that was eligible before the consolidation for an addi-
3 tional allowance under this section.

4 (13) It is the intent of the legislature that, beginning in
5 1999-2000, a district or public school academy that does not meet
6 the eligibility requirement under subsection (2)(a) may be eligi-
7 ble for funding under this section if at least 1/3 of the pupils
8 in membership in the district or public school academy met the
9 income eligibility criteria for free OR REDUCED-PRICE breakfast,
10 lunch, or milk in the immediately preceding state fiscal year, as
11 determined and reported as described in subsection (1), and at
12 least 5,000 of the pupils in membership in the district or public
13 school academy met the income eligibility criteria for free OR
14 REDUCED-PRICE breakfast, lunch, or milk in the immediately pre-
15 ceding state fiscal year, as determined and reported as described
16 in subsection (1). A district or public school academy that is
17 eligible for funding under this section for 1999-2000 because the
18 district meets the requirements of this subsection shall receive
19 under this section for each membership pupil in the district or
20 public school academy who met the income eligibility criteria for
21 free OR REDUCED-PRICE breakfast, lunch, or milk in the immedi-
22 ately preceding fiscal year, as determined and reported as
23 described in subsection (1), an amount per pupil equal to 5.75%
24 of the district's foundation allowance or public school academy's
25 per pupil allocation under section 20, not to exceed \$6,500.00
26 adjusted by the dollar amount of the difference between the basic

1 foundation allowance under section 20 for the current state
2 fiscal year and \$5,000.00.

3 (14) It is the intent of the legislature that, beginning in
4 1999-2000, the total amount allocated under this section for a
5 fiscal year shall be increased from the total amount allocated
6 under this section for the immediately preceding fiscal year by
7 the same percentage as the percentage increase in the amount of
8 the basic foundation allowance under section 20 for that fiscal
9 year from the amount of the basic foundation allowance under sec-
10 tion 20 for the immediately preceding fiscal year.

11 (15) As used in this section, "at-risk pupil" means a pupil
12 for whom the district has documentation that the pupil meets at
13 least 2 of the following criteria: is a victim of child abuse or
14 neglect; is below grade level in English language and communica-
15 tion skills or mathematics; is a pregnant teenager or teenage
16 parent; is eligible for a federal free or reduced-price lunch
17 subsidy; has atypical behavior or attendance patterns; or has a
18 family history of school failure, incarceration, or substance
19 abuse. For pupils for whom the results of at least the applica-
20 ble MEAP test have been received, at-risk pupil also includes a
21 pupil who does not meet the other criteria under this subsection
22 but who did not achieve at least a score of moderate on the most
23 recent MEAP reading test for which results for the pupil have
24 been received, did not achieve at least a score of moderate on
25 the most recent MEAP mathematics test for which results for the
26 pupil have been received, or achieved less than 50% of the
27 objectives on the most recent MEAP science test for which results

1 for the pupil have been received. For pupils in grades K-3,
2 at-risk pupil also includes a pupil who is at risk of not meeting
3 the district's core academic curricular objectives in English
4 language, communication skills, or mathematics.

5 Enacting section 1. This amendatory act does not take
6 effect unless all of the following bills of the 89th Legislature
7 are enacted into law:

8 (a) Senate Bill No. 313.

9 (b) Senate Bill No. 689.

10 (c) House Bill No. 4075.

11 (d) House Bill No. 5424.

12 (e) House Bill No. 5428.

13 (f) House Bill No. 5478

14 (g) House Bill No. 5482.

15 (h) Senate Bill No. _____ or House Bill No. _____ (request
16 no. 05598'98).

17 (i) Senate Bill No. _____ or House Bill No. _____ (request
18 no. 05599'98).

19 (j) Senate Bill No. _____ or House Bill No. _____ (request
20 no. 05847'98).

21 (k) Senate Bill No. _____ or House Bill No. _____ (request
22 no. 05849'98).

23 (l) Senate Bill No. _____ or House Bill No. _____ (request
24 no. 05850'98).

25 (m) Senate Bill No. _____ or House Bill No. _____ (request
26 no. 05851'98).