

**SENATE BILL NO. 1206**

June 11, 1998, Introduced by Senators CONROY, YOUNG and BYRUM 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 31c (MCL 388.1631c), as added by 1997 PA  
142.

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

1       Sec. 31c. (1) From the state school aid fund appropriation  
2 in section 11, there is allocated for 1997-98 an amount not to  
3 exceed \$100,000.00 for planning grants to districts that are  
4 awarded pilot program grants under subsections (2) to (8) for  
5 1998-99. An application for a grant under this subsection shall  
6 be in the form and manner prescribed by the superintendent of  
7 public instruction. The amount of each grant under this subsec-  
8 tion shall be in the same proportion to the total allocation  
9 under this subsection as the proportion that the amount of the  
10 district's grant under subsections (2) to (8) bears to the total

1 allocation under subsection (2). These planning grants shall be  
2 distributed not later than April 20, 1998.

3 (2) From the state school aid fund appropriation in section  
4 11, there is allocated for 1998-99 an amount not to exceed  
5 \$19,750,000.00 for grants to eligible districts for pilot pro-  
6 grams to maintain or establish small classes in grades K to 3 in  
7 eligible school buildings in the district.

8 (3) To be eligible for a grant under subsection (2), a dis-  
9 trict must have at least 1 eligible school building and shall  
10 apply to the superintendent of public instruction not later than  
11 February 1, 1998 in the form and manner prescribed by the super-  
12 intendent of public instruction. The department shall make  
13 applications available for this purpose not later than December  
14 15, 1997. A district shall include in its application a  
15 projected budget for maintaining or establishing small classes in  
16 grades K to 3 and shall demonstrate in the projected budget that  
17 at least \$2,000,000.00 or 25% of the funds received by the dis-  
18 trict under section 31a, whichever is less, will be used to sup-  
19 port small classes under this section. The superintendent of  
20 public instruction shall approve or disapprove applications and  
21 notify the applying district of that decision not later than  
22 April 1, 1998.

23 (4) For a school building to be eligible for funding under  
24 this section, the school building must operate at least 1 of  
25 grades K to 3; the school building must be operated by a district  
26 that operates all of grades K to 12 and that receives funds under  
27 section 31a; and at least 50% of the actual pupils enrolled in

1 the school building in the immediately preceding fiscal year must  
2 have been eligible for free lunch, as determined under the  
3 national school lunch act, chapter 281, 60 Stat. 230, 42  
4 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766b, 1769,  
5 1769b to 1769c, and 1769f TO 1769h, and reported to the depart-  
6 ment not later than October 31 of the immediately preceding  
7 fiscal year and adjusted not later than December 31 of the imme-  
8 diately preceding fiscal year.

9       (5) Not more than 25% of the total allocation under  
10 subsection (2) may be paid to any 1 particular district. The  
11 department shall make allocations under subsection (2) to at  
12 least 12 districts, and the districts shall be geographically  
13 diverse.

14       (6) A district receiving funds under subsection (2) shall  
15 use the funds to maintain or establish small classes in grades K  
16 to 3 in school buildings of the district for which funds are  
17 received under this section. The average class size shall be not  
18 more than 17 pupils per class, with not more than 19 pupils in  
19 any particular class. A district receiving funds under subsec-  
20 tion (2) shall use at least \$2,000,000.00 or 25% of the funds the  
21 district receives for 1998-99 under section 31a, whichever is  
22 less, for the purposes of this section.

23       (7) Funding to districts under this section for 1998-99 is  
24 intended to be for the first of ~~4~~ 2 years of funding.

25       (8) From the general fund appropriation in section 11, there  
26 is allocated to the department for 1998-99 an amount not to

1 exceed \$250,000.00 for a study of the effectiveness of small  
2 classes in improving pupil performance.

3       (9) IT IS THE INTENT OF THE LEGISLATURE TO APPROPRIATE SUF-  
4 FICIENT FUNDS BEGINNING IN 2000-2001 TO ASSIST DISTRICTS TO MEET  
5 THE CLASS SIZE REQUIREMENTS OF SECTION 1290 OF THE REVISED SCHOOL  
6 CODE, MCL 380.1290. THE PROJECTED AMOUNTS OF THESE APPROPRIA-  
7 TIONS DURING THE PHASE-IN PERIOD UNDER THAT SECTION ARE AS  
8 FOLLOWS:

9       (A) \$119,000,000.00 FOR 2000-2001.

10       (B) \$305,000,000.00 FOR 2001-2002.

11       (C) \$539,300,000.00 FOR 2002-2003.

12       (D) \$740,200,000.00 FOR 2003-2004.

13       (E) \$991,900,000.00 FOR 2004-2005.

14       Enacting section 1. This amendatory act does not take  
15 effect unless Senate Bill No. 1205

16                               of the 89th Legislature is enacted into  
17 law.