

# SENATE BILL No. 501

May 22, 2001, Introduced by Senators SCHUETTE, BYRUM, BULLARD, HAMMERSTROM, STEIL, GARCIA and GOSCHKA 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 31a (MCL 388.1631a), as amended by 2000  
PA 297.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 31a. (1) From the state school aid fund money appro-  
2 priated in section 11, there is allocated ~~for 1999-2000 an~~  
3 ~~amount not to exceed \$270,920,000.00,~~ for 2000-2001 an amount  
4 not to exceed \$304,000,000.00, for 2001-2002 an amount not to  
5 exceed \$319,200,000.00, and for 2002-2003 an amount not to exceed  
6 \$329,095,200.00 for payments to ~~eligible~~ districts and  
7 ~~eligible~~ public school academies under this section. Subject  
8 to subsection (10), the amount of the additional allowance under  
9 this section shall be based on the number of actual pupils in  
10 membership in the district or public school academy who met the

1 income eligibility criteria for free breakfast, lunch, or milk in  
2 the immediately preceding state fiscal year, as determined under  
3 the Richard B. Russell national school lunch act, chapter 281,  
4 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765  
5 to 1766a, 1769, 1769b to 1769c, and 1769f to 1769h, and reported  
6 to the department by October 31 of the immediately preceding  
7 fiscal year and adjusted not later than December 31 of the imme-  
8 diately preceding fiscal year. However, for a public school  
9 academy that began operations as a public school academy after  
10 the pupil membership count day of the immediately preceding  
11 school year, the basis for the additional allowance under this  
12 section shall be the number of actual pupils in membership in the  
13 public school academy who met the income eligibility criteria for  
14 free breakfast, lunch, or milk in the current state fiscal year,  
15 as determined under the Richard B. Russell national school lunch  
16 act.

17 (2) To be eligible to receive funding under this section, a  
18 district or public school academy that has not been previously  
19 determined to be eligible shall apply to the department, in a  
20 form and manner prescribed by the department, and a district or  
21 public school academy must ~~meet all of the following: (a) The~~  
22 ~~sum of the district's or public school academy's combined state~~  
23 ~~and local revenue per membership pupil in the current state~~  
24 ~~fiscal year, as calculated under section 20, plus the amount of~~  
25 ~~the district's per pupil allocation under section 20j(2), is less~~  
26 ~~than or equal to \$6,500.00 adjusted by the dollar amount of the~~  
27 ~~difference between the basic foundation allowance under section~~

~~1 20 for the current state fiscal year and \$5,000.00. However,~~  
~~2 beginning in 2002-2003, the \$6,500.00 amount prescribed in this~~  
~~3 subdivision shall be adjusted each year by an amount equal to the~~  
~~4 dollar amount of the difference between the basic foundation~~  
~~5 allowance for the current state fiscal year and \$5,000.00, minus~~  
~~6 \$200.00. (b) The district or public school academy agrees~~ AGREE  
7 to use the funding only for purposes allowed under this section  
8 and to comply with the program and accountability requirements  
9 under this section.

10 (3) Except as otherwise provided in this subsection, ~~an~~  
11 ~~eligible~~ A district or ~~eligible~~ public school academy shall  
12 receive under this section for each membership pupil in the dis-  
13 trict or public school academy who met the income eligibility  
14 criteria for free breakfast, lunch, or milk, as determined under  
15 the Richard B. Russell national school lunch act and as reported  
16 to the department by October 31 of the immediately preceding  
17 fiscal year and adjusted not later than December 31 of the imme-  
18 diately preceding fiscal year, an amount per pupil equal to 11.5%  
19 of the sum of the district's foundation allowance or public  
20 school academy's per pupil allocation under section 20, plus the  
21 amount of the district's per pupil allocation under section  
22 20j(2), not to exceed \$6,500.00 adjusted by the dollar amount of  
23 the difference between the basic foundation allowance under sec-  
24 tion 20 for the current state fiscal year and \$5,000.00, or of  
25 the public school academy's per membership pupil allocation under  
26 section 20 for the current state fiscal year. However, beginning  
27 in 2002-2003, the \$6,500.00 amount prescribed in this subsection

1 shall be adjusted each year by an amount equal to the dollar  
2 amount of the difference between the basic foundation allowance  
3 for the current state fiscal year and \$5,000.00, minus \$200.00.  
4 A public school academy that began operations as a public school  
5 academy after the pupil membership count day of the immediately  
6 preceding school year shall receive under this section for each  
7 membership pupil in the public school academy who met the income  
8 eligibility criteria for free breakfast, lunch, or milk, as  
9 determined under the Richard B. Russell national school lunch act  
10 and as reported to the department by October 31 of the current  
11 fiscal year and adjusted not later than December 31 of the cur-  
12 rent fiscal year, an amount per pupil equal to 11.5% of the  
13 public school academy's per membership pupil allocation under  
14 section 20 for the current state fiscal year.

15       (4) Except as otherwise provided in this section, a district  
16 or public school academy receiving funding under this section  
17 shall use that money only to provide instructional programs and  
18 direct noninstructional services, including, but not limited to,  
19 medical or counseling services, for at-risk pupils and for the  
20 purposes of subsection (5) or section 31c and shall not use any  
21 of that money for administrative costs or to supplant another  
22 program or other funds, except for funds allocated to the dis-  
23 trict or public school academy under this section in the immedi-  
24 ately preceding year and already being used by the district or  
25 public school academy for at-risk pupils. The instruction or  
26 direct noninstructional services provided under this section may  
27 be conducted before or after regular school hours or by adding

1 extra school days to the school year and may be conducted using a  
2 tutorial method, with paraprofessionals working under the super-  
3 vision of a certificated teacher. The ratio of pupils to para-  
4 professionals shall be between 10:1 and 15:1. Only 1 certifi-  
5 cated teacher is required to supervise instruction using a tuto-  
6 rial method. As used in this subsection, "to supplant another  
7 program" means to take the place of a previously existing  
8 instructional program or direct noninstructional services funded  
9 from a funding source other than funding under this section.

10 (5) A district or public school academy that receives funds  
11 under this section and that operates a school breakfast program  
12 under section 1272a of the revised school code, MCL 380.1272a,  
13 shall use from the funds received under this section an amount,  
14 not to exceed \$10.00 per pupil for whom the district or public  
15 school academy receives funds under this section, necessary to  
16 operate the school breakfast program. ~~For 1999-2000 only, a~~  
17 ~~district or public school academy that receives funds under this~~  
18 ~~section and that operates a school lunch program under~~  
19 ~~section 1272a of the revised school code, MCL 380.1272a, shall~~  
20 ~~use from the funds received under this section an amount, not to~~  
21 ~~exceed \$10.00 per pupil for whom the district or public school~~  
22 ~~academy receives funds under this section, necessary to operate~~  
23 ~~the school lunch program.~~

24 (6) Each district or public school academy receiving funds  
25 under this section shall submit to the department by July 15 of  
26 each fiscal year a report, not to exceed 10 pages, on the usage  
27 by the district or public school academy of funds under this

1 section, which report shall include at least a brief description  
2 of each program conducted by the district or public school acad-  
3 emy using funds under this section, the amount of funds under  
4 this section allocated to each of those programs, the number of  
5 at-risk pupils eligible for free or reduced price school lunch  
6 who were served by each of those programs, and the total number  
7 of at-risk pupils served by each of those programs. If a dis-  
8 trict or public school academy does not comply with this subsec-  
9 tion, the department shall withhold an amount equal to the August  
10 payment due under this section until the district or public  
11 school academy complies with this subsection. If the district or  
12 public school academy does not comply with this subsection by the  
13 end of the state fiscal year, the withheld funds shall be for-  
14 feited to the school aid fund.

15       (7) In order to receive funds under this section, a district  
16 or public school academy shall allow access for the department or  
17 the department's designee to audit all records related to the  
18 program for which it receives those funds. The district or  
19 public school academy shall reimburse the state for all disallow-  
20 ances found in the audit.

21       (8) Subject to subsection (5), any district may use up to  
22 100% of the funds it receives under this section to reduce the  
23 ratio of pupils to teachers in grades K-6, or any combination of  
24 those grades, in school buildings in which the percentage of  
25 pupils described in subsection (1) exceeds the district's aggre-  
26 gate percentage of those pupils. Subject to subsection (5), if a  
27 district obtains a waiver from the department, the district may

1 use up to 100% of the funds it receives under this section to  
2 reduce the ratio of pupils to teachers in grades K-6, or any com-  
3 bination of those grades, in school buildings in which the per-  
4 centage of pupils described in subsection (1) is at least 60% of  
5 the district's aggregate percentage of those pupils and at least  
6 30% of the total number of pupils enrolled in the school  
7 building. To obtain a waiver, a district must apply to the  
8 department and demonstrate to the satisfaction of the department  
9 that the class size reductions would be in the best interests of  
10 the district's at-risk pupils.

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

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

25 ~~-(11) If a district is formed by consolidation after June 1,~~  
26 ~~1995, and if 1 or more of the original districts was not eligible~~  
27 ~~before the consolidation for an additional allowance under this~~

~~1 section, the amount of the additional allowance under this  
2 section for the consolidated district shall be based on the  
3 number of pupils described in subsection (1) enrolled in the con=  
4 solidated district who reside in the territory of an original  
5 district that was eligible before the consolidation for an addi=  
6 tional allowance under this section.~~

~~7       (12) Beginning in 1999-2000, a district or public school  
8 academy that does not meet the eligibility requirement under sub=  
9 section (2)(a) is eligible for funding under this section if at  
10 least 1/4 of the pupils in membership in the district or public  
11 school academy met the income eligibility criteria for free  
12 breakfast, lunch, or milk in the immediately preceding state  
13 fiscal year, as determined and reported as described in  
14 subsection (1), and at least 4,500 of the pupils in membership in  
15 the district or public school academy met the income eligibility  
16 criteria for free breakfast, lunch, or milk in the immediately  
17 preceding state fiscal year, as determined and reported as  
18 described in subsection (1). A district or public school academy  
19 that is eligible for funding under this section because the dis=  
20 trict meets the requirements of this subsection shall receive  
21 under this section for each membership pupil in the district or  
22 public school academy who met the income eligibility criteria for  
23 free breakfast, lunch, or milk in the immediately preceding  
24 fiscal year, as determined and reported as described in subsec=  
25 tion (1), an amount per pupil equal to 5.75% of the sum of the  
26 district's foundation allowance or public school academy's per  
27 pupil allocation under section 20, plus the amount of the~~



~~1 district's per pupil allocation under section 20j(2), not to  
2 exceed \$6,500.00 adjusted by the dollar amount of the difference  
3 between the basic foundation allowance under section 20 for the  
4 current state fiscal year and \$5,000.00. However, beginning in  
5 2002-2003, the \$6,500.00 amount prescribed in this subsection  
6 shall be adjusted each year by an amount equal to the dollar  
7 amount of the difference between the basic foundation allowance  
8 for the current state fiscal year and \$5,000.00, minus \$200.00.~~

9       (11) ~~(13)~~ Beginning in 2001-2002, the total amount allo-  
10 cated under this section for a fiscal year shall be increased  
11 from the total amount allocated under this section for the imme-  
12 diately preceding fiscal year by the same percentage as the per-  
13 centage increase in the amount of the basic foundation allowance  
14 under section 20 for that fiscal year from the amount of the  
15 basic foundation allowance under section 20 for the immediately  
16 preceding fiscal year.

17       (12) ~~(14)~~ As used in this section, "at-risk pupil" means a  
18 pupil for whom the district has documentation that the pupil  
19 meets at least 2 of the following criteria: is a victim of child  
20 abuse or neglect; is below grade level in English language and  
21 communication skills or mathematics; is a pregnant teenager or  
22 teenage parent; is eligible for a federal free or reduced-price  
23 lunch subsidy; has atypical behavior or attendance patterns; or  
24 has a family history of school failure, incarceration, or sub-  
25 stance abuse. For pupils for whom the results of at least the  
26 applicable Michigan education assessment program (MEAP) test have  
27 been received, at-risk pupil also includes a pupil who does not

1 meet the other criteria under this subsection but who did not  
2 achieve at least a score of moderate on the most recent MEAP  
3 reading test for which results for the pupil have been received,  
4 did not achieve at least a score of moderate on the most recent  
5 MEAP mathematics test for which results for the pupil have been  
6 received, or did not achieve at least a score of novice on the  
7 most recent MEAP science test for which results for the pupil  
8 have been received. For pupils in grades K-3, at-risk pupil also  
9 includes a pupil who is at risk of not meeting the district's  
10 core academic curricular objectives in English language, communi-  
11 cation skills, or mathematics.