

SENATE BILL No. 367

April 2, 2003, Introduced by Senators KUIPERS and CROPSEY 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 31a and 32a (MCL 388.1631a and 388.1632a),
as amended by 2002 PA 521; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 31a. (1) From the state school aid fund money
2 appropriated in section 11, ~~there is allocated for 2001-2002 an~~
3 ~~amount not to exceed \$314,200,000.00 and~~ there is allocated each
4 fiscal year for 2002-2003 and for 2003-2004 an amount not to
5 exceed \$314,200,000.00 for payments to eligible districts and
6 eligible public school academies under this section. Subject to
7 subsection ~~-(11)-~~ (6), the amount of the additional allowance
8 under this section shall be based on the number of actual pupils
9 in membership in the district or public school academy who met
10 the income eligibility criteria for free breakfast, lunch, or

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

16 (2) To be eligible to receive funding under this section,
 17 other than funding under subsection ~~—(6)—~~ (5), a district or
 18 public school academy that has not been previously determined to
 19 be eligible shall apply to the department, in a form and manner
 20 prescribed by the department. ~~—, and a~~ A district or public
 21 school academy ~~—must meet all of the following:—(a) The~~ is
 22 **eligible to receive funding under this section if the department**
 23 **determines that the** sum of the district's or public school
 24 academy's combined state and local revenue per membership pupil
 25 in the current state fiscal year, as calculated under section 20,
 26 plus the amount of the district's per pupil allocation under
 27 section 20j(2), is less than or equal to \$6,500.00 adjusted by

1 the dollar amount of the difference between the basic foundation
2 allowance under section 20 for the current state fiscal year and
3 \$5,000.00, ~~— However, beginning in 2002-2003, the \$6,500.00~~
4 ~~amount prescribed in this subdivision shall be adjusted each year~~
5 ~~by an amount equal to the dollar amount of the difference between~~
6 ~~the basic foundation allowance for the current state fiscal year~~
7 ~~and \$5,000.00, minus \$200.00.~~

8 ~~(b) The district or public school academy agrees to use the~~
9 ~~funding only for purposes allowed under this section and to~~
10 ~~comply with the program and accountability requirements under~~
11 ~~this section.~~

12 (3) Except as otherwise provided in this subsection, an
13 eligible district or eligible public school academy shall receive
14 under this section for each membership pupil in the district or
15 public school academy who met the income eligibility criteria for
16 free breakfast, lunch, or milk, as determined under the Richard
17 B. Russell national school lunch act and as reported to the
18 department by October 31 of the immediately preceding fiscal year
19 and adjusted not later than December 31 of the immediately
20 preceding fiscal year, an amount per pupil equal to 11.5% of the
21 sum of the district's foundation allowance or public school
22 academy's per pupil amount calculated under section 20, plus the
23 amount of the district's per pupil allocation under section
24 20j(2), not to exceed \$6,500.00 adjusted by the dollar amount of
25 the difference between the basic foundation allowance under
26 section 20 for the current state fiscal year and \$5,000.00, **minus**
27 **\$200.00**, or of the public school academy's per membership pupil

1 amount calculated under section 20 for the current state fiscal
 2 year. ~~However, beginning in 2002-2003, the \$6,500.00 amount~~
 3 ~~prescribed in this subsection shall be adjusted each year by an~~
 4 ~~amount equal to the dollar amount of the difference between the~~
 5 ~~basic foundation allowance for the current state fiscal year and~~
 6 ~~\$5,000.00, minus \$200.00.~~ A public school academy that began
 7 operations as a public school academy after the pupil membership
 8 count day of the immediately preceding school year shall receive
 9 under this section for each membership pupil in the public school
 10 academy who met the income eligibility criteria for free
 11 breakfast, lunch, or milk, as determined under the Richard
 12 B. Russell national school lunch act and as reported to the
 13 department by October 31 of the current fiscal year and adjusted
 14 not later than December 31 of the current fiscal year, an amount
 15 per pupil equal to 11.5% of the public school academy's per
 16 membership pupil amount calculated under section 20 for the
 17 current state fiscal year.

18 (4) Except as otherwise provided in ~~this section~~ **subsection**
 19 **(5)**, a district or public school academy receiving funding under
 20 this section ~~shall~~ **may** use that money ~~only to provide~~
 21 ~~instructional programs and direct noninstructional services,~~
 22 ~~including, but not limited to, medical or counseling services,~~
 23 ~~for at-risk pupils; for school health clinics; and for the~~
 24 ~~purposes of subsection (5) or (6), and~~ **for any purpose that is**
 25 **determined locally to benefit its at-risk pupils. However, a**
 26 **district or public school academy** shall not use any of that money
 27 for administrative costs or to supplant another program or other

1 funds, except for funds allocated to the district or public
2 school academy under this section in the immediately preceding
3 year and already being used by the district or public school
4 academy. ~~for at-risk pupils. The instruction or direct~~
5 ~~noninstructional services provided under this section may be~~
6 ~~conducted before or after regular school hours or by adding extra~~
7 ~~school days to the school year and may be conducted using a~~
8 ~~tutorial method, with paraprofessionals working under the~~
9 ~~supervision of a certificated teacher. The ratio of pupils to~~
10 ~~paraprofessionals shall be between 10:1 and 15:1. Only 1~~
11 ~~certificated teacher is required to supervise instruction using a~~
12 ~~tutorial method.~~ As used in this subsection, "to supplant
13 another program" means to take the place of a previously existing
14 instructional program or direct noninstructional services funded
15 from a funding source other than funding under this section.

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

23 ~~(5) -(6) From the funds allocated under subsection (1), there~~
24 ~~is allocated for 2001-2002 an amount not to exceed \$2,400,000.00~~
25 ~~to support teen health centers. These 2001-2002 funds shall be~~
26 ~~distributed to existing teen health centers in a manner~~
27 ~~determined by the department in collaboration with the department~~

1 ~~of community health.~~ From the funds allocated under
2 subsection (1), there is allocated each fiscal year for 2002-2003
3 and for 2003-2004 an amount not to exceed \$3,743,000.00 for
4 competitive grants to support teen health centers. These grants
5 for 2002-2003 and 2003-2004 shall be awarded in a form and manner
6 approved jointly by the department and the department of
7 community health. If any funds allocated under this subsection
8 are not used for the purposes of this subsection for the fiscal
9 year in which they are allocated, those unused funds shall be
10 used that fiscal year to avoid or minimize any proration that
11 would otherwise be required under subsection ~~-(11)-~~ (6) for that
12 fiscal year.

13 ~~(7) Each district or public school academy receiving funds~~
14 ~~under this section shall submit to the department by July 15 of~~
15 ~~each fiscal year a report, not to exceed 10 pages, on the usage~~
16 ~~by the district or public school academy of funds under this~~
17 ~~section, which report shall include at least a brief description~~
18 ~~of each program conducted by the district or public school~~
19 ~~academy using funds under this section, the amount of funds under~~
20 ~~this section allocated to each of those programs, the number of~~
21 ~~at-risk pupils eligible for free or reduced price school lunch~~
22 ~~who were served by each of those programs, and the total number~~
23 ~~of at-risk pupils served by each of those programs. If a~~
24 ~~district or public school academy does not comply with this~~
25 ~~subsection, the department shall withhold an amount equal to the~~
26 ~~August payment due under this section until the district or~~
27 ~~public school academy complies with this subsection. If the~~

~~1 district or public school academy does not comply with this
2 subsection by the end of the state fiscal year, the withheld
3 funds shall be forfeited to the school aid fund.~~

~~4 ——— (8) In order to receive funds under this section, a district
5 or public school academy shall allow access for the department or
6 the department's designee to audit all records related to the
7 program for which it receives those funds. The district or
8 public school academy shall reimburse the state for all
9 disallowances found in the audit.~~

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

~~27 ——— (10) A district or public school academy may use funds~~

1 ~~received under this section for adult high school completion,~~
2 ~~general education development (G.E.D.) test preparation, or~~
3 ~~adult basic education programs described in section 107.~~

4 (6) ~~—(11)—~~ If necessary, and before any proration required
5 under section 11, the department shall prorate payments under
6 this section by reducing the amount of the per pupil payment
7 under this section by a dollar amount calculated by determining
8 the amount by which the amount necessary to fully fund the
9 requirements of this section exceeds the maximum amount allocated
10 under this section and then dividing that amount by the total
11 statewide number of pupils who met the income eligibility
12 criteria for free breakfast, lunch, or milk in the immediately
13 preceding fiscal year, as described in subsection (1).

14 (7) ~~—(12)—~~ Funds allocated under this section that are
15 unexpended and unencumbered at the end of the fiscal year for
16 which they were allocated shall be carried forward and used in
17 subsequent fiscal years to avoid or minimize any proration that
18 would otherwise be required under subsection ~~—(11)—~~ (6).

19 (8) ~~—(13)—~~ If a district is formed by consolidation after
20 June 1, 1995, and if 1 or more of the original districts was not
21 eligible before the consolidation for an additional allowance
22 under this section, the amount of the additional allowance under
23 this section for the consolidated district shall be based on the
24 number of pupils described in subsection (1) enrolled in the
25 consolidated district who reside in the territory of an original
26 district that was eligible before the consolidation for an
27 additional allowance under this section.

1 **(9)** ~~—(14)—~~ A district or public school academy that does not
 2 meet the eligibility requirement under subsection ~~—(2)(a)—~~ **(2)** is
 3 eligible for funding under this section if at least 1/4 of the
 4 pupils in membership in the district or public school academy met
 5 the income eligibility criteria for free breakfast, lunch, or
 6 milk in the immediately preceding state fiscal year, as
 7 determined and reported as described in subsection (1), and at
 8 least 4,500 of the pupils in membership in the district or public
 9 school academy met the income eligibility criteria for free
 10 breakfast, lunch, or milk in the immediately preceding state
 11 fiscal year, as determined and reported as described in
 12 subsection (1). A district or public school academy that is
 13 eligible for funding under this section because the district
 14 meets the requirements of this subsection shall receive under
 15 this section for each membership pupil in the district or public
 16 school academy who met the income eligibility criteria for free
 17 breakfast, lunch, or milk in the immediately preceding fiscal
 18 year, as determined and reported as described in subsection (1),
 19 an amount per pupil equal to 5.75% for 2001-2002 and 11.5% for
 20 2002-2003 and subsequent fiscal years of the sum of the
 21 district's foundation allowance or public school academy's per
 22 pupil allocation under section 20, plus the amount of the
 23 district's per pupil allocation under section 20j(2), not to
 24 exceed \$6,500.00 adjusted by the dollar amount of the difference
 25 between the basic foundation allowance under section 20 for the
 26 current state fiscal year and \$5,000.00, ~~—.~~ ~~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 **(10)** ~~-(15)-~~ As used in this section, "at-risk pupil" means a
5 pupil for whom the district has documentation that the pupil
6 meets at least 2 of the following criteria: is a victim of child
7 abuse or neglect; is below grade level in English language and
8 communication skills or mathematics; is a pregnant teenager or
9 teenage parent; is eligible for a federal free or reduced-price
10 lunch subsidy; has atypical behavior or attendance patterns; or
11 has a family history of school failure, incarceration, or
12 substance abuse. For pupils for whom the results of at least the
13 applicable Michigan education assessment program (MEAP) test have
14 been received, at-risk pupil also includes a pupil who does not
15 meet the other criteria under this subsection but who did not
16 achieve at least a score of moderate on the most recent MEAP
17 reading test for which results for the pupil have been received,
18 did not achieve at least a score of moderate on the most recent
19 MEAP mathematics test for which results for the pupil have been
20 received, or did not achieve at least a score of novice on the
21 most recent MEAP science test for which results for the pupil
22 have been received. For pupils in grades K-3, at-risk pupil also
23 includes a pupil who is at risk of not meeting the district's
24 core academic curricular objectives in English language,
25 communication skills, or mathematics.

26 Sec. 32a. (1) ~~From the state school aid fund appropriation~~
27 ~~in section 11, there is allocated an amount not to exceed~~

~~1 \$189,250,000.00 for 2001-2002 and an amount not to exceed~~
~~2 \$72,600,000.00 each fiscal year for 2002-2003 and for 2003-2004~~
~~3 to fund the all students achieve program (ASAP) as provided under~~
~~4 sections 32b to 32h. In addition, from the general fund~~
~~5 appropriations in section 11, there is allocated an amount not to~~
~~6 exceed \$2,200,100.00 for 2001-2002 and an amount not to exceed~~
~~7 \$2,200,000.00 each fiscal year for 2002-2003 and for 2003-2004~~
~~8 for the purposes of sections 32b to 32f. The programs funded~~
~~9 through this section are~~ **From the state school aid fund**
10 appropriation in section 11, there is allocated an amount not to
11 exceed \$72,600,000.00 for 2003-2004 to fund early education
12 grants under this section. In addition, from the general fund
13 appropriation in section 11, there is allocated an amount not to
14 exceed \$2,200,000.00 for 2003-2004 to fund early education grants
15 under this subsection. An early childhood education grant shall
16 be made under this section to each district or intermediate
17 district that received a grant for 2002-2003 under former
18 sections 32b to 32f. The amount of the grant to each district or
19 intermediate district shall be an amount equal to the amount it
20 received for 2002-2003 under sections 32b to 32f. A recipient of
21 an early childhood education grant under this section shall
22 determine locally how best to use these grant funds for the
23 purposes of improving parenting skills, improving school
24 readiness, reducing the number of pupils retained in grade, and
25 reducing the number of pupils requiring special education
26 services. A grant recipient shall use the funds received under
27 this section exclusively for programs intended to achieve 1 or

1 more of these purposes.

2 (2) Each grant recipient ~~approved by the department~~ shall
3 implement department-approved data collection methods and
4 evaluation or assessment tools to measure the impact of the
5 ~~proposed program~~ **programs funded under this section.**

6 (3) A district **or intermediate district** shall not use funds
7 received under ~~sections 32b to 32f~~ **this section** to supplant any
8 local or federal funds it currently receives. A district **or**
9 **intermediate district** may use these funds in combination with
10 other federal, local, public, or private funds to enhance
11 existing programs with similar purposes.

12 Enacting section 1. Sections 32b, 32c, 32d, 32e, 32f, 32i,
13 37, 38, and 39 of the state school aid act of 1979, 1979 PA 94,
14 MCL 388.1632b, 388.1632c, 388.1632d, 388.1632e, 388.1632f,
15 388.1632i, 388.1637, 388.1638, and 388.1639, are repealed.

16 Enacting section 2. This amendatory act takes effect
17 October 1, 2003.