

SENATE BILL No. 1358

September 8, 2004, Introduced by Senators BROWN, BIRKHOLZ and SWITALSKI 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 2003 PA 158.

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 2003-2004 an
3 amount not to exceed \$314,200,000.00 for payments to eligible
4 districts and eligible public school academies under this
5 section. Subject to subsection (12), the amount of the
6 additional allowance under this section shall be based on the
7 number of actual pupils in membership in the district or public
8 school academy who met the income eligibility criteria for free
9 breakfast, lunch, or milk in the immediately preceding state
10 fiscal year, as determined under the Richard B. Russell national

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

14 (2) To be eligible to receive funding under this section,
15 other than funding under subsection (6), a district or public
16 school academy that has not been previously determined to be
17 eligible shall apply to the department, in a form and manner
18 prescribed by the department, and a district or public school
19 academy must meet all of the following:

20 (a) The sum of the district's or public school academy's
21 combined state and local revenue per membership pupil in the
22 current state fiscal year, as calculated under section 20, plus
23 the amount of the district's per pupil allocation under section
24 20j(2), is less than or equal to \$6,500.00 adjusted by the dollar
25 amount of the difference between the basic foundation allowance
26 under section 20 for the current state fiscal year and \$5,000.00,
27 minus \$200.00.

1 (b) The district or public school academy agrees to use the
2 funding only for purposes allowed under this section and to
3 comply with the program and accountability requirements under
4 this section.

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

1 national school lunch act and as reported to the department by
2 October 31 of the current fiscal year and adjusted not later than
3 December 31 of the current fiscal year, an amount per pupil equal
4 to 11.5% of the public school academy's per membership pupil
5 amount calculated under section 20 for the current state fiscal
6 year.

7 (4) Except as otherwise provided in this section, a district
8 or public school academy receiving funding under this section
9 shall use that money only to provide instructional programs and
10 direct noninstructional services, including, but not limited to,
11 medical or counseling services, for at-risk pupils; for school
12 health clinics; **for preschool programs; for all-day kindergarten;**
13 and for the purposes of subsection (5) or (6). A district or
14 public school academy shall not use any of that money for
15 administrative costs or to supplant another program or other
16 funds, except for funds allocated to the district or public
17 school academy under this section in the immediately preceding
18 year and already being used by the district or public school
19 academy for at-risk pupils. The instruction or direct
20 noninstructional services provided under this section may be
21 conducted before or after regular school hours or by adding extra
22 school days to the school year and may include, but are not
23 limited to, tutorial services, early childhood programs to serve
24 children age 0 to 5, and reading programs as described in former
25 section 32f as in effect for 2001-2002. A tutorial method may be
26 conducted with paraprofessionals working under the supervision of
27 a certificated teacher. The ratio of pupils to paraprofessionals

1 shall be between 10:1 and 15:1. Only 1 certificated teacher is
2 required to supervise instruction using a tutorial method. As
3 used in this subsection, "to supplant another program" means to
4 take the place of a previously existing instructional program or
5 direct noninstructional services funded from a funding source
6 other than funding under this section.

7 (5) Except as otherwise provided in subsection (11), a
8 district or public school academy that receives funds under this
9 section and that operates a school breakfast program under
10 section 1272a of the revised school code, MCL 380.1272a, shall
11 use from the funds received under this section an amount, not to
12 exceed \$10.00 per pupil for whom the district or public school
13 academy receives funds under this section, necessary to operate
14 the school breakfast program.

15 (6) From the funds allocated under subsection (1), there is
16 allocated beginning with 2003-2004 an amount not to exceed
17 \$3,743,000.00 to support teen health centers. These grants shall
18 be awarded for 3 consecutive years beginning with 2003-2004 in a
19 form and manner approved jointly by the department and the
20 department of community health. Each grant recipient shall
21 remain in compliance with the terms of the grant award or shall
22 forfeit the grant award for the duration of the 3-year period
23 after the noncompliance. If any funds allocated under this
24 subsection are not used for the purposes of this subsection for
25 the fiscal year in which they are allocated, those unused funds
26 shall be used that fiscal year to avoid or minimize any proration
27 that would otherwise be required under subsection (12) for that

1 fiscal year.

2 (7) Each district or public school academy receiving funds
3 under this section shall submit to the department by July 15 of
4 each fiscal year a report, not to exceed 10 pages, on the usage
5 by the district or public school academy of funds under this
6 section, which report shall include at least a brief description
7 of each program conducted by the district or public school
8 academy using funds under this section, the amount of funds under
9 this section allocated to each of those programs, the number of
10 at-risk pupils eligible for free or reduced price school lunch
11 who were served by each of those programs, and the total number
12 of at-risk pupils served by each of those programs. If a
13 district or public school academy does not comply with this
14 subsection, the department shall withhold an amount equal to the
15 August payment due under this section until the district or
16 public school academy complies with this subsection. If the
17 district or public school academy does not comply with this
18 subsection by the end of the state fiscal year, the withheld
19 funds shall be forfeited to the school aid fund.

20 (8) In order to receive funds under this section, a district
21 or public school academy shall allow access for the department or
22 the department's designee to audit all records related to the
23 program for which it receives those funds. The district or
24 public school academy shall reimburse the state for all
25 disallowances found in the audit.

26 (9) Subject to subsections (5), (6), and (11), any district
27 may use up to 100% of the funds it receives under this section to

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

16 (10) A district or public school academy may use funds
17 received under this section for adult high school completion,
18 general education development (G.E.D.) test preparation, adult
19 English as a second language, or adult basic education programs
20 described in section 107.

21 (11) For an individual school or schools operated by a
22 district or public school academy receiving funds under this
23 section that have been determined by the department to meet the
24 adequate yearly progress standards of the federal no child left
25 behind act of 2001, Public Law 107-110, ~~115 Stat. 1425,~~ in both
26 mathematics and English language arts at all applicable grade
27 levels for all applicable subgroups, the district or public

1 school academy may submit to the department an application for
2 flexibility in using the funds received under this section that
3 are attributable to the pupils in the school or schools. The
4 application shall identify the affected school or schools and the
5 affected funds and shall contain a plan for using the funds for
6 specific purposes identified by the district that are designed to
7 benefit at-risk pupils in the school, but that may be different
8 from the purposes otherwise allowable under this section. The
9 department shall approve the application if the department
10 determines that the purposes identified in the plan are
11 reasonably designed to benefit at-risk pupils in the school. If
12 the department does not act to approve or disapprove an
13 application within 30 days after it is submitted to the
14 department, the application is considered to be approved. If an
15 application for flexibility in using the funds is approved, the
16 district may use the funds identified in the application for any
17 purpose identified in the plan.

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

1 (13) If a district is formed by consolidation after June 1,
2 1995, and if 1 or more of the original districts was not eligible
3 before the consolidation for an additional allowance under this
4 section, the amount of the additional allowance under this
5 section for the consolidated district shall be based on the
6 number of pupils described in subsection (1) enrolled in the
7 consolidated district who reside in the territory of an original
8 district that was eligible before the consolidation for an
9 additional allowance under this section.

10 (14) A district or public school academy that does not meet
11 the eligibility requirement under subsection (2)(a) is eligible
12 for funding under this section if at least 1/4 of the pupils in
13 membership in the district or public school academy met the
14 income eligibility criteria for free breakfast, lunch, or milk in
15 the immediately preceding state fiscal year, as determined and
16 reported as described in subsection (1), and at least 4,500 of
17 the pupils in membership in the district or public school academy
18 met the income eligibility criteria for free breakfast, lunch, or
19 milk in the immediately preceding state fiscal year, as
20 determined and reported as described in subsection (1). A
21 district or public school academy that is eligible for funding
22 under this section because the district meets the requirements of
23 this subsection shall receive under this section for each
24 membership pupil in the district or public school academy who met
25 the income eligibility criteria for free breakfast, lunch, or
26 milk in the immediately preceding fiscal year, as determined and
27 reported as described in subsection (1), an amount per pupil

1 equal to 11.5% of the sum of the district's foundation allowance
2 or public school academy's per pupil allocation under section 20,
3 plus the amount of the district's per pupil allocation under
4 section 20j(2), not to exceed \$6,500.00 adjusted by the dollar
5 amount of the difference between the basic foundation allowance
6 under section 20 for the current state fiscal year and \$5,000.00,
7 minus \$200.00.

8 (15) As used in this section, "at-risk pupil" means a pupil
9 for whom the district has documentation that the pupil meets at
10 least 2 of the following criteria: is a victim of child abuse or
11 neglect; is below grade level in English language and
12 communication skills or mathematics; is a pregnant teenager or
13 teenage parent; is eligible for a federal free or reduced-price
14 lunch subsidy; has atypical behavior or attendance patterns; or
15 has a family history of school failure, incarceration, or
16 substance abuse. For pupils for whom the results of at least the
17 applicable Michigan education assessment program (MEAP) test have
18 been received, at-risk pupil also includes a pupil who does not
19 meet the other criteria under this subsection but who did not
20 achieve at least a score of moderate on the most recent MEAP
21 reading test for which results for the pupil have been received,
22 did not achieve at least a score of moderate on the most recent
23 MEAP mathematics test for which results for the pupil have been
24 received, or did not achieve at least a score of novice on the
25 most recent MEAP science test for which results for the pupil
26 have been received. For pupils in grades K-3, at-risk pupil also
27 includes a pupil who is at risk of not meeting the district's

- 1 core academic curricular objectives in English language,
- 2 communication skills, or mathematics.