

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 329

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending section 20 (MCL 388.1620), as amended by 2005 PA 155,
and by adding section 34.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 20. (1) ~~For 2003-2004 and for 2004-2005, the basic~~
2 ~~foundation allowance is \$6,700.00 per membership pupil.~~ For 2005-
3 2006, the basic foundation allowance is \$6,875.00.

4 (2) The amount of each district's foundation allowance shall
5 be calculated as provided in this section, using a basic foundation
6 allowance in the amount specified in subsection (1).

7 (3) Except as otherwise provided in this section, the amount
8 of a district's foundation allowance shall be calculated as

1 follows, using in all calculations the total amount of the
2 district's foundation allowance as calculated before any proration:

3 (a) Except as otherwise provided in this subsection, for a
4 district that in the immediately preceding state fiscal year had a
5 foundation allowance in an amount at least equal to the amount of
6 the basic foundation allowance for the immediately preceding state
7 fiscal year, the district shall receive a foundation allowance in
8 an amount equal to the sum of the district's foundation allowance
9 for the immediately preceding state fiscal year plus the dollar
10 amount of the adjustment from the immediately preceding state
11 fiscal year to the current state fiscal year in the basic
12 foundation allowance. However, for 2002-2003, the foundation
13 allowance for a district under this subdivision is an amount equal
14 to the sum of the district's foundation allowance for the
15 immediately preceding state fiscal year plus \$200.00.

16 (b) For a district that in the 1994-95 state fiscal year had a
17 foundation allowance greater than \$6,500.00, the district's
18 foundation allowance is an amount equal to the sum of the
19 district's foundation allowance for the immediately preceding state
20 fiscal year plus the lesser of the increase in the basic foundation
21 allowance for the current state fiscal year, as compared to the
22 immediately preceding state fiscal year, or the product of the
23 district's foundation allowance for the immediately preceding state
24 fiscal year times the percentage increase in the United States
25 consumer price index in the calendar year ending in the immediately
26 preceding fiscal year as reported by the May revenue estimating
27 conference conducted under section 367b of the management and

1 budget act, 1984 PA 431, MCL 18.1367b. For 2002-2003, for a
2 district that in the 1994-95 state fiscal year had a foundation
3 allowance greater than \$6,500.00, the district's foundation
4 allowance is an amount equal to the sum of the district's
5 foundation allowance for the immediately preceding state fiscal
6 year plus the lesser of \$200.00 or the product of the district's
7 foundation allowance for the immediately preceding state fiscal
8 year times the percentage increase in the United States consumer
9 price index in the calendar year ending in the immediately
10 preceding fiscal year as reported by the May revenue estimating
11 conference conducted under section 367b of the management and
12 budget act, 1984 PA 431, MCL 18.1367b.

13 (c) For a district that has a foundation allowance that is not
14 a whole dollar amount, the district's foundation allowance shall be
15 rounded up to the nearest whole dollar.

16 (d) For a district that received a payment under former
17 section 22c for 2001-2002, the district's 2001-2002 foundation
18 allowance shall be considered to have been an amount equal to the
19 sum of the district's actual 2001-2002 foundation allowance as
20 otherwise calculated under this section plus the per pupil amount
21 of the district's equity payment for 2001-2002 under former section
22 22c.

23 (4) Except as otherwise provided in this subsection, the state
24 portion of a district's foundation allowance is an amount equal to
25 the district's foundation allowance or \$6,500.00, whichever is
26 less, minus the difference between the product of the taxable value
27 per membership pupil of all property in the district that is not a

1 principal residence or qualified agricultural property times the
2 lesser of 18 mills or the number of mills of school operating taxes
3 levied by the district in 1993-94 and the quotient of the ad
4 valorem property tax revenue of the district captured under 1975 PA
5 197, MCL 125.1651 to 125.1681, the tax increment finance authority
6 act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development
7 financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the
8 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651
9 to 125.2672, divided by the district's membership excluding special
10 education pupils. For a district described in subsection (3)(b),
11 the state portion of the district's foundation allowance is an
12 amount equal to \$6,962.00 plus the difference between the
13 district's foundation allowance for the current state fiscal year
14 and the district's foundation allowance for 1998-99, minus the
15 difference between the product of the taxable value per membership
16 pupil of all property in the district that is not a principal
17 residence or qualified agricultural property times the lesser of 18
18 mills or the number of mills of school operating taxes levied by
19 the district in 1993-94 and the quotient of the ad valorem property
20 tax revenue of the district captured under 1975 PA 197, MCL
21 125.1651 to 125.1681, the tax increment finance authority act, 1980
22 PA 450, MCL 125.1801 to 125.1830, the local development financing
23 act, 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield
24 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
25 divided by the district's membership excluding special education
26 pupils. For a district that has a millage reduction required under
27 section 31 of article IX of the state constitution of 1963, the

1 state portion of the district's foundation allowance shall be
2 calculated as if that reduction did not occur. 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.

7 (5) The allocation calculated under this section for a pupil
8 shall be based on the foundation allowance of the pupil's district
9 of residence. However, for a pupil enrolled in a district other
10 than the pupil's district of residence, if the foundation allowance
11 of the pupil's district of residence has been adjusted pursuant to
12 subsection (19), the allocation calculated under this section shall
13 not include the adjustment described in subsection (19). For a
14 pupil enrolled pursuant to section 105 or 105c in a district other
15 than the pupil's district of residence, the allocation calculated
16 under this section shall be based on the lesser of the foundation
17 allowance of the pupil's district of residence or the foundation
18 allowance of the educating district. For a pupil in membership in a
19 K-5, K-6, or K-8 district who is enrolled in another district in a
20 grade not offered by the pupil's district of residence, the
21 allocation calculated under this section shall be based on the
22 foundation allowance of the educating district if the educating
23 district's foundation allowance is greater than the foundation
24 allowance of the pupil's district of residence. The calculation
25 under this subsection shall take into account a district's per
26 pupil allocation under section 20j(2).

27 (6) Subject to subsection (7) and section 22b(3) and except as

1 otherwise provided in this subsection, for pupils in membership,
2 other than special education pupils, in a public school academy or
3 a university school, the allocation calculated under this section
4 is an amount per membership pupil other than special education
5 pupils in the public school academy or university school equal to
6 the sum of the local school operating revenue per membership pupil
7 other than special education pupils for the district in which the
8 public school academy or university school is located and the state
9 portion of that district's foundation allowance, or the sum of the
10 basic foundation allowance under subsection (1) plus \$300.00,
11 whichever is less. Notwithstanding section 101(2), for a public
12 school academy that begins operations after the pupil membership
13 count day, the amount per membership pupil calculated under this
14 subsection shall be adjusted by multiplying that amount per
15 membership pupil by the number of hours of pupil instruction
16 provided by the public school academy after it begins operations,
17 as determined by the department, divided by the minimum number of
18 hours of pupil instruction required under section 101(3). The
19 result of this calculation shall not exceed the amount per
20 membership pupil otherwise calculated under this subsection.

21 (7) If more than 25% of the pupils residing within a district
22 are in membership in 1 or more public school academies located in
23 the district, then the amount per membership pupil calculated under
24 this section for a public school academy located in the district
25 shall be reduced by an amount equal to the difference between the
26 product of the taxable value per membership pupil of all property
27 in the district that is not a principal residence or qualified

1 agricultural property times the lesser of 18 mills or the number of
2 mills of school operating taxes levied by the district in 1993-94
3 and the quotient of the ad valorem property tax revenue of the
4 district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the
5 tax increment finance authority act, 1980 PA 450, MCL 125.1801 to
6 125.1830, the local development financing act, 1986 PA 281, MCL
7 125.2151 to 125.2174, or the brownfield redevelopment financing
8 act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the
9 district's membership excluding special education pupils, in the
10 school fiscal year ending in the current state fiscal year,
11 calculated as if the resident pupils in membership in 1 or more
12 public school academies located in the district were in membership
13 in the district. In order to receive state school aid under this
14 act, a district described in this subsection shall pay to the
15 authorizing body that is the fiscal agent for a public school
16 academy located in the district for forwarding to the public school
17 academy an amount equal to that local school operating revenue per
18 membership pupil for each resident pupil in membership other than
19 special education pupils in the public school academy, as
20 determined by the department.

21 (8) If a district does not receive an amount calculated under
22 subsection (9); if the number of mills the district may levy on a
23 principal residence and qualified agricultural property under
24 section 1211(1) of the revised school code, MCL 380.1211, is 0.5
25 mills or less; and if the district elects not to levy those mills,
26 the district instead shall receive a separate supplemental amount
27 calculated under this subsection in an amount equal to the amount

1 the district would have received had it levied those mills, as
2 determined by the department of treasury. A district shall not
3 receive a separate supplemental amount calculated under this
4 subsection for a fiscal year unless in the calendar year ending in
5 the fiscal year the district levies 18 mills or the number of mills
6 of school operating taxes levied by the district in 1993, whichever
7 is less, on property that is not a principal residence or qualified
8 agricultural property.

9 (9) For a district that had combined state and local revenue
10 per membership pupil in the 1993-94 state fiscal year of more than
11 \$6,500.00 and that had fewer than 350 pupils in membership, if the
12 district elects not to reduce the number of mills from which a
13 principal residence and qualified agricultural property are exempt
14 and not to levy school operating taxes on a principal residence and
15 qualified agricultural property as provided in section 1211(1) of
16 the revised school code, MCL 380.1211, and not to levy school
17 operating taxes on all property as provided in section 1211(2) of
18 the revised school code, MCL 380.1211, there is calculated under
19 this subsection for 1994-95 and each succeeding fiscal year a
20 separate supplemental amount in an amount equal to the amount the
21 district would have received per membership pupil had it levied
22 school operating taxes on a principal residence and qualified
23 agricultural property at the rate authorized for the district under
24 section 1211(1) of the revised school code, MCL 380.1211, and
25 levied school operating taxes on all property at the rate
26 authorized for the district under section 1211(2) of the revised
27 school code, MCL 380.1211, as determined by the department of

1 treasury. If in the calendar year ending in the fiscal year a
2 district does not levy 18 mills or the number of mills of school
3 operating taxes levied by the district in 1993, whichever is less,
4 on property that is not a principal residence or qualified
5 agricultural property, the amount calculated under this subsection
6 will be reduced by the same percentage as the millage actually
7 levied compares to the 18 mills or the number of mills levied in
8 1993, whichever is less.

9 (10) Subject to subsection (4), for a district that is formed
10 or reconfigured after June 1, 2002 by consolidation of 2 or more
11 districts or by annexation, the resulting district's foundation
12 allowance under this section beginning after the effective date of
13 the consolidation or annexation shall be the average of the
14 foundation allowances of each of the original or affected
15 districts, calculated as provided in this section, weighted as to
16 the percentage of pupils in total membership in the resulting
17 district who reside in the geographic area of each of the original
18 or affected districts. The calculation under this subsection shall
19 take into account a district's per pupil allocation under section
20 20j(2).

21 (11) Each fraction used in making calculations under this
22 section shall be rounded to the fourth decimal place and the dollar
23 amount of an increase in the basic foundation allowance shall be
24 rounded to the nearest whole dollar.

25 (12) State payments related to payment of the foundation
26 allowance for a special education pupil are not calculated under
27 this section but are instead calculated under section 51a.

1 (13) To assist the legislature in determining the basic
2 foundation allowance for the subsequent state fiscal year, each
3 revenue estimating conference conducted under section 367b of the
4 management and budget act, 1984 PA 431, MCL 18.1367b, shall
5 calculate a pupil membership factor, a revenue adjustment factor,
6 and an index as follows:

7 (a) The pupil membership factor shall be computed by dividing
8 the estimated membership in the school year ending in the current
9 state fiscal year, excluding intermediate district membership, by
10 the estimated membership for the school year ending in the
11 subsequent state fiscal year, excluding intermediate district
12 membership. If a consensus membership factor is not determined at
13 the revenue estimating conference, the principals of the revenue
14 estimating conference shall report their estimates to the house and
15 senate subcommittees responsible for school aid appropriations not
16 later than 7 days after the conclusion of the revenue conference.

17 (b) The revenue adjustment factor shall be computed by
18 dividing the sum of the estimated total state school aid fund
19 revenue for the subsequent state fiscal year plus the estimated
20 total state school aid fund revenue for the current state fiscal
21 year, adjusted for any change in the rate or base of a tax the
22 proceeds of which are deposited in that fund and excluding money
23 transferred into that fund from the countercyclical budget and
24 economic stabilization fund under section 353e of the management
25 and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the
26 estimated total school aid fund revenue for the current state
27 fiscal year plus the estimated total state school aid fund revenue

1 for the immediately preceding state fiscal year, adjusted for any
2 change in the rate or base of a tax the proceeds of which are
3 deposited in that fund. If a consensus revenue factor is not
4 determined at the revenue estimating conference, the principals of
5 the revenue estimating conference shall report their estimates to
6 the house and senate subcommittees responsible for school aid
7 appropriations not later than 7 days after the conclusion of the
8 revenue conference.

9 (c) The index shall be calculated by multiplying the pupil
10 membership factor by the revenue adjustment factor. However, for
11 2005-2006, the index shall be 1.00. If a consensus index is not
12 determined at the revenue estimating conference, the principals of
13 the revenue estimating conference shall report their estimates to
14 the house and senate subcommittees responsible for school aid
15 appropriations not later than 7 days after the conclusion of the
16 revenue conference.

17 (14) If the principals at the revenue estimating conference
18 reach a consensus on the index described in subsection (13)(c), the
19 basic foundation allowance for the subsequent state fiscal year
20 shall be at least the amount of that consensus index multiplied by
21 the basic foundation allowance specified in subsection (1).

22 (15) If at the January revenue estimating conference it is
23 estimated that pupil membership, excluding intermediate district
24 membership, for the subsequent state fiscal year will be greater
25 than 101% of the pupil membership, excluding intermediate district
26 membership, for the current state fiscal year, then it is the
27 intent of the legislature that the executive budget proposal for

1 the school aid budget for the subsequent state fiscal year include
2 a general fund/general purpose allocation sufficient to support the
3 membership in excess of 101% of the current year pupil membership.

4 (16) For a district that had combined state and local revenue
5 per membership pupil in the 1993-94 state fiscal year of more than
6 \$6,500.00, that had fewer than 7 pupils in membership in the 1993-
7 94 state fiscal year, that has at least 1 child educated in the
8 district in the current state fiscal year, and that levies the
9 number of mills of school operating taxes authorized for the
10 district under section 1211 of the revised school code, MCL
11 380.1211, a minimum amount of combined state and local revenue
12 shall be calculated for the district as provided under this
13 subsection. The minimum amount of combined state and local revenue
14 for 1999-2000 shall be \$67,000.00 plus the district's additional
15 expenses to educate pupils in grades 9 to 12 educated in other
16 districts as determined and allowed by the department. The minimum
17 amount of combined state and local revenue under this subsection,
18 before adding the additional expenses, shall increase each fiscal
19 year by the same percentage increase as the percentage increase in
20 the basic foundation allowance from the immediately preceding
21 fiscal year to the current fiscal year. The state portion of the
22 minimum amount of combined state and local revenue under this
23 subsection shall be calculated by subtracting from the minimum
24 amount of combined state and local revenue under this subsection
25 the sum of the district's local school operating revenue and an
26 amount equal to the product of the sum of the state portion of the
27 district's foundation allowance plus the amount calculated under

1 section 20j times the district's membership. As used in this
2 subsection, "additional expenses" means the district's expenses for
3 tuition or fees, not to exceed \$6,500.00 as adjusted each year by
4 an 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, plus a room and board stipend not to
7 exceed \$10.00 per school day for each pupil in grades 9 to 12
8 educated in another district, as approved by the department.

9 (17) For a district in which 7.75 mills levied in 1992 for
10 school operating purposes in the 1992-93 school year were not
11 renewed in 1993 for school operating purposes in the 1993-94 school
12 year, the district's combined state and local revenue per
13 membership pupil shall be recalculated as if that millage reduction
14 did not occur and the district's foundation allowance shall be
15 calculated as if its 1994-95 foundation allowance had been
16 calculated using that recalculated 1993-94 combined state and local
17 revenue per membership pupil as a base. A district is not entitled
18 to any retroactive payments for fiscal years before 2000-2001 due
19 to this subsection.

20 (18) For a district in which an industrial facilities
21 exemption certificate that abated taxes on property with a state
22 equalized valuation greater than the total state equalized
23 valuation of the district at the time the certificate was issued or
24 \$700,000,000.00, whichever is greater, was issued under 1974 PA
25 198, MCL 207.551 to 207.572, before the calculation of the
26 district's 1994-95 foundation allowance, the district's foundation
27 allowance for 2002-2003 is an amount equal to the sum of the

1 district's foundation allowance for 2002-2003, as otherwise
2 calculated under this section, plus \$250.00.

3 (19) For a district that received a grant under former section
4 32e for 2001-2002, the district's foundation allowance for 2002-
5 2003 and each succeeding fiscal year shall be adjusted to be an
6 amount equal to the sum of the district's foundation allowance, as
7 otherwise calculated under this section, plus the quotient of 100%
8 of the amount of the grant award to the district for 2001-2002
9 under former section 32e divided by the number of pupils in the
10 district's membership for 2001-2002 who were residents of and
11 enrolled in the district. Except as otherwise provided in this
12 subsection, a district qualifying for a foundation allowance
13 adjustment under this subsection shall use the funds resulting from
14 this adjustment for at least 1 of grades K to 3 for purposes
15 allowable under former section 32e as in effect for 2001-2002, **AND**
16 **MAY ALSO USE THESE FUNDS FOR AN EARLY INTERVENING PROGRAM DESCRIBED**
17 **IN SUBSECTION (21)**. For an individual school or schools operated by
18 a district qualifying for a foundation allowance under this
19 subsection that have been determined by the department to meet the
20 adequate yearly progress standards of the federal no child left
21 behind act of 2001, Public Law 107-110, in both mathematics and
22 English language arts at all applicable grade levels for all
23 applicable subgroups, the district may submit to the department an
24 application for flexibility in using the funds resulting from this
25 adjustment that are attributable to the pupils in the school or
26 schools. The application shall identify the affected school or
27 schools and the affected funds and shall contain a plan for using

1 the funds for specific purposes identified by the district that are
2 designed to reduce class size, but that may be different from the
3 purposes otherwise allowable under this subsection. The department
4 shall approve the application if the department determines that the
5 purposes identified in the plan are reasonably designed to reduce
6 class size. If the department does not act to approve or disapprove
7 an application within 30 days after it is submitted to the
8 department, the application is considered to be approved. If an
9 application for flexibility in using the funds is approved, the
10 district may use the funds identified in the application for any
11 purpose identified in the plan.

12 (20) For a district that is a qualifying school district with
13 a school reform board in place under part 5a of the revised school
14 code, MCL 380.371 to 380.376, the district's foundation allowance
15 for 2002-2003 shall be adjusted to be an amount equal to the sum of
16 the district's foundation allowance, as otherwise calculated under
17 this section, plus the quotient of \$15,000,000.00 divided by the
18 district's membership for 2002-2003. If a district ceases to meet
19 the requirements of this subsection, the department shall adjust
20 the district's foundation allowance in effect at that time based on
21 a 2002-2003 foundation allowance for the district that does not
22 include the 2002-2003 adjustment under this subsection. This
23 subsection only applies for 2002-2003, 2003-2004, and 2004-2005.
24 Beginning in 2005-2006, the foundation allowance of a district that
25 received an adjustment under this subsection for those fiscal years
26 shall be calculated as if those adjustments did not occur.

27 (21) **AN EARLY INTERVENING PROGRAM THAT USES FUNDS RESULTING**

1 FROM THE ADJUSTMENT UNDER SUBSECTION (19) SHALL MEET EITHER OR BOTH
2 OF THE FOLLOWING:

3 (A) SHALL MONITOR INDIVIDUAL PUPIL LEARNING FOR PUPILS IN
4 GRADES K TO 3 AND PROVIDE SPECIFIC SUPPORT OR LEARNING STRATEGIES
5 TO PUPILS IN GRADES K TO 3 AS EARLY AS POSSIBLE IN ORDER TO REDUCE
6 THE NEED FOR SPECIAL EDUCATION PLACEMENT. THE PROGRAM SHALL INCLUDE
7 LITERACY AND NUMERACY SUPPORTS, SENSORY MOTOR SKILL DEVELOPMENT,
8 BEHAVIOR SUPPORTS, INSTRUCTIONAL CONSULTATION FOR TEACHERS, AND THE
9 DEVELOPMENT OF A PARENT/SCHOOL LEARNING PLAN. SPECIFIC SUPPORT OR
10 LEARNING STRATEGIES MAY INCLUDE SUPPORT IN OR OUT OF THE GENERAL
11 CLASSROOM IN AREAS INCLUDING READING, WRITING, MATH, VISUAL MEMORY,
12 MOTOR SKILL DEVELOPMENT, BEHAVIOR, OR LANGUAGE DEVELOPMENT. THESE
13 WOULD BE PROVIDED BASED ON AN UNDERSTANDING OF THE INDIVIDUAL
14 CHILD'S LEARNING NEEDS.

15 (B) SHALL PROVIDE EARLY INTERVENING STRATEGIES FOR PUPILS IN
16 GRADES K TO 3 USING SCHOOLWIDE SYSTEMS OF ACADEMIC AND BEHAVIORAL
17 SUPPORTS AND SHALL BE SCIENTIFICALLY RESEARCH-BASED. THE STRATEGIES
18 TO BE PROVIDED SHALL INCLUDE AT LEAST PUPIL PERFORMANCE INDICATORS
19 BASED UPON RESPONSE TO INTERVENTION, INSTRUCTIONAL CONSULTATION FOR
20 TEACHERS, AND ONGOING PROGRESS MONITORING. A SCHOOLWIDE SYSTEM OF
21 ACADEMIC AND BEHAVIORAL SUPPORT SHOULD BE BASED ON A SUPPORT TEAM
22 AVAILABLE TO THE CLASSROOM TEACHERS. THE MEMBERS OF THIS TEAM COULD
23 INCLUDE THE PRINCIPAL, SPECIAL EDUCATION STAFF, READING TEACHERS,
24 AND OTHER APPROPRIATE PERSONNEL WHO WOULD BE AVAILABLE TO
25 SYSTEMATICALLY STUDY THE NEEDS OF THE INDIVIDUAL CHILD AND WORK
26 WITH THE TEACHER TO MATCH INSTRUCTION TO THE NEEDS OF THE
27 INDIVIDUAL CHILD.

1 (22) ~~-(21)-~~ Payments to districts, university schools, or
2 public school academies shall not be made under this section.
3 Rather, the calculations under this section shall be used to
4 determine the amount of state payments under section 22b.

5 (23) ~~-(22)-~~ If an amendment to section 2 of article VIII of
6 the state constitution of 1963 allowing state aid to some or all
7 nonpublic schools is approved by the voters of this state, each
8 foundation allowance or per pupil payment calculation under this
9 section may be reduced.

10 (24) ~~-(23)-~~ As used in this section:

11 (a) "Combined state and local revenue" means the aggregate of
12 the district's state school aid received by or paid on behalf of
13 the district under this section and the district's local school
14 operating revenue.

15 (b) "Combined state and local revenue per membership pupil"
16 means the district's combined state and local revenue divided by
17 the district's membership excluding special education pupils.

18 (c) "Current state fiscal year" means the state fiscal year
19 for which a particular calculation is made.

20 (d) "Immediately preceding state fiscal year" means the state
21 fiscal year immediately preceding the current state fiscal year.

22 (e) "Local school operating revenue" means school operating
23 taxes levied under section 1211 of the revised school code, MCL
24 380.1211.

25 (f) "Local school operating revenue per membership pupil"
26 means a district's local school operating revenue divided by the
27 district's membership excluding special education pupils.

1 (g) "Membership" means the definition of that term under
2 section 6 as in effect for the particular fiscal year for which a
3 particular calculation is made.

4 (h) "Principal residence" and "qualified agricultural
5 property" mean those terms as defined in section 7dd of the general
6 property tax act, 1893 PA 206, MCL 211.7dd.

7 (i) "School operating purposes" means the purposes included in
8 the operation costs of the district as prescribed in sections 7 and
9 18.

10 (j) "School operating taxes" means local ad valorem property
11 taxes levied under section 1211 of the revised school code, MCL
12 380.1211, and retained for school operating purposes.

13 (k) "Taxable value per membership pupil" means taxable value,
14 as certified by the department of treasury, for the calendar year
15 ending in the current state fiscal year divided by the district's
16 membership excluding special education pupils for the school year
17 ending in the current state fiscal year.

18 **SEC. 34. (1) IT IS THE INTENT OF THE LEGISLATURE TO**
19 **APPROPRIATE FUNDS FOR 2006-2007 TO THE DEPARTMENT FOR GRANTS TO**
20 **DISTRICTS UNDER THIS SECTION.**

21 **(2) NOT MORE THAN 76% OF THE MONEY ALLOCATED UNDER THIS**
22 **SECTION SHALL BE USED FOR GRANTS TO DISTRICTS FOR THE FIRST YEAR OF**
23 **A 5-YEAR GRANT PROGRAM TO DEVELOP AN EARLY INTERVENING MODEL**
24 **PROGRAM FOR GRADES K TO 3. THE EARLY INTERVENING PROGRAM WILL**
25 **INSTRUCT CLASSROOM TEACHERS AND SUPPORT STAFF ON HOW TO MONITOR**
26 **INDIVIDUAL PUPIL LEARNING AND HOW TO PROVIDE SPECIFIC SUPPORT OR**
27 **LEARNING STRATEGIES TO PUPILS AS EARLY AS POSSIBLE IN ORDER TO**

1 REDUCE THE NEED FOR SPECIAL EDUCATION PLACEMENT. THE PROGRAM WILL
2 INCLUDE LITERACY AND NUMERACY SUPPORTS, SENSORY MOTOR SKILL
3 DEVELOPMENT, BEHAVIOR SUPPORTS, INSTRUCTIONAL CONSULTATION FOR
4 TEACHERS, AND THE DEVELOPMENT OF A PARENT/SCHOOL LEARNING PLAN.
5 SPECIFIC SUPPORT OR LEARNING STRATEGIES MAY INCLUDE SUPPORT IN OR
6 OUT OF THE GENERAL CLASSROOM IN AREAS INCLUDING READING, WRITING,
7 MATH, VISUAL MEMORY, MOTOR SKILL DEVELOPMENT, BEHAVIOR, OR LANGUAGE
8 DEVELOPMENT. THESE WOULD BE PROVIDED BASED ON AN UNDERSTANDING OF
9 THE INDIVIDUAL CHILD'S LEARNING NEEDS. ALL OF THE FOLLOWING APPLY
10 TO THE GRANTS:

11 (A) EACH SITE FUNDED BY A GRANT SHALL SERVE AS EITHER A MODEL
12 SITE OF PRACTICE OR A SITE OF IMPROVEMENT. A MODEL SITE WILL SERVE
13 AS AN ONGOING MODEL THAT PROVIDES THE EARLY INTERVENING PROGRAM FOR
14 PUPILS AND CONDUCTS PROFESSIONAL DEVELOPMENT ON SITE FOR PERSONNEL
15 VISITING FROM A SITE OF IMPROVEMENT. A SITE OF IMPROVEMENT IS A
16 SITE THAT SEEKS TO IMPLEMENT THE EARLY INTERVENING PROGRAM.

17 (B) THE GRANTS SHALL BE DISTRIBUTED THROUGH A PROCESS
18 ESTABLISHED BY THE DEPARTMENT. THE SELECTION OF GRANT RECIPIENTS
19 SHALL BE BASED ON THE ABILITY TO SERVE AS A MODEL SITE OF PRACTICE
20 OR, FOR A SITE OF IMPROVEMENT, BASED ON THE HIGHEST DEMONSTRATED
21 NEED TO IMPROVE OPPORTUNITIES FOR LEARNING SUCCESS AS REFLECTED BY
22 EITHER A COMBINED PERCENTAGE OF PUPILS WHO ARE LEARNING DISABLED,
23 EMOTIONALLY IMPAIRED, OR SPEECH AND LANGUAGE IMPAIRED THAT IS
24 HIGHER THAN THE STATEWIDE PERCENTAGE OF THOSE PUPILS OR A
25 PERCENTAGE OF PUPILS READING BELOW GRADE LEVEL AS MEASURED BY THE
26 STATEWIDE THIRD GRADE ENGLISH LANGUAGE ARTS ASSESSMENT THAT IS
27 HIGHER THAN THE STATEWIDE PERCENTAGE OF THOSE PUPILS, AS DETERMINED

1 BY THE DEPARTMENT. THE DEPARTMENT SHALL ENSURE GEOGRAPHIC DIVERSITY
2 IN AWARDING GRANTS.

3 (C) THE DEPARTMENT SHALL AWARD UP TO 19 GRANTS, WITH NOT MORE
4 THAN 4 OF THE GRANTS FOR DEVELOPMENT OF MODEL SITES OF PRACTICE AND
5 NOT MORE THAN 15 OF THE GRANTS FOR SITES OF IMPROVEMENT. A MODEL
6 SITE OF PRACTICE SHALL USE THE GRANT FUNDS TO MAKE PROFESSIONAL
7 DEVELOPMENT ON HOW TO PROVIDE THE PROGRAM AVAILABLE ON SITE TO
8 PERSONNEL FROM SITES OF IMPROVEMENT. A SITE OF IMPROVEMENT SHALL
9 USE THE GRANT FUNDS TO PAY FOR THE EXPENSES OF OBTAINING THIS
10 PROFESSIONAL DEVELOPMENT AND OTHER EXPENSES RELATED TO IMPLEMENTING
11 AN EARLY INTERVENING PROGRAM.

12 (D) THE AMOUNT OF A GRANT TO A DISTRICT SHALL BE \$40,000.00.

13 (E) A GRANT SHALL BE USED FOR EARLY INTERVENING PROGRAMS FOR
14 PUPILS AT THE ELEMENTARY LEVEL ONLY.

15 (3) NOT MORE THAN 24% OF THE MONEY ALLOCATED UNDER THIS
16 SECTION SHALL BE USED FOR GRANTS TO DISTRICTS FOR PROGRAMS THAT
17 PROVIDE EARLY INTERVENING STRATEGIES FOR PUPILS IN GRADES K TO 3
18 USING SCHOOLWIDE SYSTEMS OF ACADEMIC AND BEHAVIORAL SUPPORTS AND
19 SHALL BE SCIENTIFICALLY RESEARCH-BASED. THE STRATEGIES TO BE
20 PROVIDED SHALL INCLUDE AT LEAST PUPIL PERFORMANCE INDICATORS BASED
21 UPON RESPONSE TO INTERVENTION, INSTRUCTIONAL CONSULTATION FOR
22 TEACHERS, AND ONGOING PROGRESS MONITORING. A SCHOOLWIDE SYSTEM OF
23 ACADEMIC AND BEHAVIORAL SUPPORT SHOULD BE BASED ON A SUPPORT TEAM
24 AVAILABLE TO THE CLASSROOM TEACHERS. THE MEMBERS OF THIS TEAM COULD
25 INCLUDE THE PRINCIPAL, SPECIAL EDUCATION STAFF, READING TEACHERS,
26 AND OTHER APPROPRIATE PERSONNEL WHO WOULD BE AVAILABLE TO
27 SYSTEMATICALLY STUDY THE NEEDS OF THE INDIVIDUAL CHILD AND WORK

1 WITH THE TEACHER TO MATCH INSTRUCTION TO THE NEEDS OF THE
2 INDIVIDUAL CHILD. THESE GRANTS SHALL BE DISTRIBUTED THROUGH A
3 COMPETITIVE PROCESS ESTABLISHED BY THE DEPARTMENT. A GRANT SHALL BE
4 USED FOR PROVIDING THESE PROGRAMS FOR PUPILS AT THE ELEMENTARY
5 LEVEL ONLY.

6 (4) THE DEPARTMENT SHALL DEVELOP GUIDELINES ON THE USE OF THE
7 GRANT FUNDS ALLOCATED UNDER THIS SECTION. THESE GUIDELINES SHALL
8 ENSURE THAT THE USE OF THESE GRANT FUNDS IS CONSISTENT WITH
9 RESEARCH AND INSTRUCTIONAL PROGRAMS THAT INCLUDE DATA-DRIVEN
10 PROCESSES AND PROVEN METHODS OF SUCCESS.

11 (5) PROGRAMS FUNDED UNDER THIS SECTION SHALL INVITE VISITATION
12 AND FEEDBACK FROM THE REGIONAL LITERACY TRAINING CENTER IN WHICH
13 SERVICE AREA THE RECIPIENT DISTRICT IS LOCATED, AS IDENTIFIED BY
14 THE DEPARTMENT.

15 (6) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION
16 MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.

17 (7) NOT LATER THAN JANUARY 30 OF THE NEXT FISCAL YEAR, THE
18 DEPARTMENT SHALL PREPARE AND SUBMIT TO THE GOVERNOR, THE SENATE AND
19 HOUSE STANDING COMMITTEES ON EDUCATION, AND THE SENATE AND HOUSE
20 APPROPRIATIONS SUBCOMMITTEES HAVING JURISDICTION OVER STATE SCHOOL
21 AID AN ANNUAL REPORT OF OUTCOMES ACHIEVED BY THE GRANT RECIPIENTS
22 FUNDED UNDER THIS SECTION FOR A FISCAL YEAR. FOR THIS REPORT, THE
23 FUNDED SITES SHALL COLLECT DATA PRESCRIBED BY THE DEPARTMENT AND
24 REPORT TO THE DEPARTMENT ON THE PERCENTAGE OF PUPILS READING AT
25 GRADE LEVEL BEFORE IMPLEMENTATION OF THE PROGRAM AND THE PERCENTAGE
26 OF PUPILS READING AT GRADE LEVEL AFTER IMPLEMENTATION OF THE
27 PROGRAM, AS MEASURED BY THE STATEWIDE THIRD GRADE ENGLISH LANGUAGE

1 ARTS ASSESSMENT.