

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 330

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 2005 PA 155.

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

1       Sec. 31a. (1) From the money appropriated in section 11, there  
2   is allocated for 2005-2006 an amount not to exceed \$314,200,000.00  
3   for payments to eligible districts and eligible public school  
4   academies under this section. Subject to subsection ~~—(12)—~~ (13),  
5   the amount of the additional allowance under this section shall be  
6   based on the number of actual pupils in membership in the district  
7   or public school academy who met the income eligibility criteria  
8   for free breakfast, lunch, or milk in the immediately preceding  
9   state fiscal year, as determined under the Richard B. Russell

1 national school lunch act, 42 USC 1751 to 1769h, and reported to  
2 the department by October 31 of the immediately preceding fiscal  
3 year and adjusted not later than December 31 of the immediately  
4 preceding fiscal year. However, for a public school academy that  
5 began operations as a public school academy after the pupil  
6 membership count day of the immediately preceding school year, the  
7 basis for the additional allowance under this section shall be the  
8 number of actual pupils in membership in the public school academy  
9 who met the income eligibility criteria for free breakfast, lunch,  
10 or milk in the current state fiscal year, as determined under the  
11 Richard B. Russell national school lunch act.

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

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

25 (b) The district or public school academy agrees to use the  
26 funding only for purposes allowed under this section and to comply  
27 with the program and accountability requirements under this

1 section.

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

1 amount calculated under section 20 for the current state fiscal  
2 year.

3 (4) Except as otherwise provided in this section, a district  
4 or public school academy receiving funding under this section shall  
5 use that money only to provide instructional programs and direct  
6 noninstructional services, including, but not limited to, medical  
7 or counseling services, for at-risk pupils; for school health  
8 clinics; and for the purposes of subsection (5) or (6). In  
9 addition, a district that is organized as a school district of the  
10 first class under the revised school code or a district or public  
11 school academy in which at least 50% of the pupils in membership  
12 met the income eligibility criteria for free breakfast, lunch, or  
13 milk in the immediately preceding state fiscal year, as determined  
14 and reported as described in subsection (1), may use not more than  
15 15% of the funds it receives under this section for school  
16 security. A district or public school academy shall not use any of  
17 that money for administrative costs or to supplant another program  
18 or other funds, except for funds allocated to the district or  
19 public school academy under this section in the immediately  
20 preceding year and already being used by the district or public  
21 school academy for at-risk pupils. The instruction or direct  
22 noninstructional services provided under this section may be  
23 conducted before or after regular school hours or by adding extra  
24 school days to the school year and may include, but are not limited  
25 to, tutorial services, early childhood programs to serve children  
26 age 0 to 5, and reading programs as described in former section 32f  
27 as in effect for 2001-2002. A tutorial method may be conducted with

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

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

17 (6) From the funds allocated under subsection (1), there is  
18 allocated for 2005-2006 an amount not to exceed \$3,743,000.00 to  
19 support teen health centers. These grants shall be awarded for 3  
20 consecutive years beginning with 2003-2004 in a form and manner  
21 approved jointly by the department and the department of community  
22 health. Each grant recipient shall remain in compliance with the  
23 terms of the grant award or shall forfeit the grant award for the  
24 duration of the 3-year period after the noncompliance. Beginning in  
25 2004-2005, to continue to receive funding for a teen health center  
26 under this section a grant recipient shall ensure that the teen  
27 health center has an advisory committee and that at least one-third

1 of the members of the advisory committee are parents or legal  
2 guardians of school-aged children. A teen health center program  
3 shall recognize the role of a child's parents or legal guardian in  
4 the physical and emotional well-being of the child. If any funds  
5 allocated under this subsection are not used for the purposes of  
6 this subsection for the fiscal year in which they are allocated,  
7 those unused funds shall be used that fiscal year to avoid or  
8 minimize any proration that would otherwise be required under  
9 subsection ~~—(12)—~~ **(13)** for that fiscal year.

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

27 (8) In order to receive funds under this section, a district

1 or public school academy shall allow access for the department or  
2 the department's designee to audit all records related to the  
3 program for which it receives those funds. The district or public  
4 school academy shall reimburse the state for all disallowances  
5 found in the audit.

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

23 (10) A district or public school academy may use funds  
24 received under this section for adult high school completion,  
25 general educational development (G.E.D.) test preparation, adult  
26 English as a second language, or adult basic education programs  
27 described in section 107.

(11) For an individual school or schools operated by a district or public school academy receiving funds under this section that have been determined by the department to meet the adequate yearly progress standards of the federal no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district or public school academy may submit to the department an application for flexibility in using the funds received under this section that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to benefit at-risk pupils in the school, but that may be different from the purposes otherwise allowable under this section. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to benefit at-risk pupils in the school. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

**(12) A DISTRICT OR PUBLIC SCHOOL ACADEMY THAT RECEIVES FUNDS UNDER THIS SECTION MAY USE FUNDS IT RECEIVES UNDER THIS SECTION TO IMPLEMENT AND OPERATE AN EARLY INTERVENING PROGRAM FOR PUPILS IN GRADES K TO 3 THAT MEETS EITHER OR BOTH OF THE FOLLOWING:**



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

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

24           (13) ~~—(12)—~~ If necessary, and before any proration required  
25 under section 11, the department shall prorate payments under this  
26 section by reducing the amount of the per pupil payment under this  
27 section by a dollar amount calculated by determining the amount by

1 which the amount necessary to fully fund the requirements of this  
2 section exceeds the maximum amount allocated under this section and  
3 then dividing that amount by the total statewide number of pupils  
4 who met the income eligibility criteria for free breakfast, lunch,  
5 or milk in the immediately preceding fiscal year, as described in  
6 subsection (1).

7       **(14)** ~~—(13)—~~ If a district is formed by consolidation after  
8 June 1, 1995, and if 1 or more of the original districts was not  
9 eligible before the consolidation for an additional allowance under  
10 this section, the amount of the additional allowance under this  
11 section for the consolidated district shall be based on the number  
12 of pupils described in subsection (1) enrolled in the consolidated  
13 district who reside in the territory of an original district that  
14 was eligible before the consolidation for an additional allowance  
15 under this section.

16       **(15)** ~~—(14)—~~ A district or public school academy that does not  
17 meet the eligibility requirement under subsection (2)(a) is  
18 eligible for funding under this section if at least 1/4 of the  
19 pupils in membership in the district or public school academy met  
20 the income eligibility criteria for free breakfast, lunch, or milk  
21 in the immediately preceding state fiscal year, as determined and  
22 reported as described in subsection (1), and at least 4,500 of the  
23 pupils in membership in the district or public school academy met  
24 the income eligibility criteria for free breakfast, lunch, or milk  
25 in the immediately preceding state fiscal year, as determined and  
26 reported as described in subsection (1). A district or public  
27 school academy that is eligible for funding under this section

1 because the district meets the requirements of this subsection  
2 shall receive under this section for each membership pupil in the  
3 district or public school academy who met the income eligibility  
4 criteria for free breakfast, lunch, or milk in the immediately  
5 preceding fiscal year, as determined and reported as described in  
6 subsection (1), an amount per pupil equal to 11.5% of the sum of  
7 the district's foundation allowance or public school academy's per  
8 pupil allocation under section 20, plus the amount of the  
9 district's per pupil allocation under section 20j(2), not to exceed  
10 \$6,500.00 adjusted by the dollar amount of the difference between  
11 the basic foundation allowance under section 20 for the current  
12 state fiscal year and \$5,000.00, minus \$200.00.

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

1 have been received, at-risk pupil also includes a pupil who does  
2 not meet the other criteria under this subsection but who did not  
3 achieve proficiency on the reading component of the most recent  
4 Michigan merit examination for which results for the pupil have  
5 been received, did not achieve proficiency on the mathematics  
6 component of the most recent Michigan merit examination for which  
7 results for the pupil have been received, or did not achieve basic  
8 competency on the science component of the most recent Michigan  
9 merit examination for which results for the pupil have been  
10 received. For pupils in grades K-3, at-risk pupil also includes a  
11 pupil who is at risk of not meeting the district's core academic  
12 curricular objectives in English language arts or mathematics.