

**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 2004 PA 593.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 31a. (1) From the money appropriated in section 11, there
2 is allocated for 2004-2005 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), the
5 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
10 national school lunch act, 42 USC 1751 to 1769h, and reported to
11 the department by October 31 of the immediately preceding fiscal

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

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

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

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

27 (3) Except as otherwise provided in this subsection, an

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

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

1 10:1 and 15:1. Only 1 certificated teacher is required to supervise
2 instruction using a tutorial method. As used in this subsection,
3 "to supplant another program" means to take the place of a
4 previously existing instructional program or direct
5 noninstructional services funded from a funding source other than
6 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 section
10 1272a of the revised school code, MCL 380.1272a, shall use from the
11 funds received under this section an amount, not to exceed \$10.00
12 per pupil for whom the district or public school academy receives
13 funds under this section, necessary to operate the school breakfast
14 program.

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

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

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

25 (8) In order to receive funds under this section, a district
26 or public school academy shall allow access for the department or
27 the department's designee to audit all records related to the

1 program for which it receives those funds. The district or public
2 school academy shall reimburse the state for all disallowances
3 found in the audit.

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

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

26 (11) For an individual school or schools operated by a
27 district or public school academy receiving funds under this

1 section that have been determined by the department to meet the
2 adequate yearly progress standards of the federal no child left
3 behind act of 2001, Public Law 107-110, in both mathematics and
4 English language arts at all applicable grade levels for all
5 applicable subgroups, the district or public school academy may
6 submit to the department an application for flexibility in using
7 the funds received under this section that are attributable to the
8 pupils in the school or schools. The application shall identify the
9 affected school or schools and the affected funds and shall contain
10 a plan for using the funds for specific purposes identified by the
11 district that are designed to benefit at-risk pupils in the school,
12 but that may be different from the purposes otherwise allowable
13 under this section. The department shall approve the application if
14 the department determines that the purposes identified in the plan
15 are reasonably designed to benefit at-risk pupils in the school. If
16 the department does not act to approve or disapprove an application
17 within 30 days after it is submitted to the department, the
18 application is considered to be approved. If an application for
19 flexibility in using the funds is approved, the district may use
20 the funds identified in the application for any purpose identified
21 in the plan.

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

26 **(A) MONITORS INDIVIDUAL PUPIL LEARNING AND PROVIDES SPECIFIC**
27 **SUPPORT OR LEARNING STRATEGIES TO PUPILS AS EARLY AS POSSIBLE IN**

1 ORDER TO REDUCE THE NEED FOR SPECIAL EDUCATION PLACEMENT. THE
2 PROGRAM SHALL INCLUDE LITERACY AND NUMERACY SUPPORTS, SENSORY MOTOR
3 SKILL DEVELOPMENT, BEHAVIOR SUPPORTS, INSTRUCTIONAL CONSULTATION
4 FOR TEACHERS, AND THE DEVELOPMENT OF A PARENT/SCHOOL LEARNING PLAN.

5 (B) PROVIDES EARLY INTERVENING STRATEGIES USING SCHOOLWIDE
6 SYSTEMS OF ACADEMIC AND BEHAVIORAL SUPPORTS AND IS SCIENTIFICALLY
7 RESEARCH-BASED. THE STRATEGIES TO BE PROVIDED SHALL INCLUDE AT
8 LEAST PUPIL PERFORMANCE INDICATORS BASED UPON RESPONSE TO
9 INTERVENTION, INSTRUCTIONAL CONSULTATION FOR TEACHERS, AND ONGOING
10 PROGRESS MONITORING.

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

21 (14) ~~—(13)—~~ If a district is formed by consolidation after
22 June 1, 1995, and if 1 or more of the original districts was not
23 eligible before the consolidation for an additional allowance under
24 this section, the amount of the additional allowance under this
25 section for the consolidated district shall be based on the number
26 of pupils described in subsection (1) enrolled in the consolidated
27 district who reside in the territory of an original district that

1 was eligible before the consolidation for an additional allowance
2 under this section.

3 (15) ~~—(14)—~~ A district or public school academy that does not
4 meet the eligibility requirement under subsection (2)(a) is
5 eligible for funding under this section if at least 1/4 of the
6 pupils in membership in the district or public school academy met
7 the income eligibility criteria for free breakfast, lunch, or milk
8 in the immediately preceding state fiscal year, as determined and
9 reported as described in subsection (1), and at least 4,500 of the
10 pupils in membership in the district or public school academy met
11 the income eligibility criteria for free breakfast, lunch, or milk
12 in the immediately preceding state fiscal year, as determined and
13 reported as described in subsection (1). A district or public
14 school academy that is eligible for funding under this section
15 because the district meets the requirements of this subsection
16 shall receive under this section for each membership pupil in the
17 district or public school academy who met the income eligibility
18 criteria for free breakfast, lunch, or milk in the immediately
19 preceding fiscal year, as determined and reported as described in
20 subsection (1), an amount per pupil equal to 11.5% of the sum of
21 the 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 exceed
24 \$6,500.00 adjusted by the dollar amount of the difference between
25 the basic foundation allowance under section 20 for the current
26 state fiscal year and \$5,000.00, minus \$200.00.

27 (16) ~~—(15)—~~ As used in this section, "at-risk pupil" means a

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