

**THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)**  
**Act 94 of 1979**

**388.1635n READ innovation competition; report.**

Sec. 35n. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2024-2025 only an amount not to exceed \$10,000,000.00 to the READ innovation competition. The READ innovation competition shall provide startup money to eligible districts to develop and deploy innovative literacy initiatives that make a positive impact on student literacy rates and shall provide incentive money to districts determined to have demonstrated the greatest impact. Funds allocated under this section are intended to foster district-led innovations in literacy instruction grounded in the science of reading, provide the state with insights into successful practices that could be scaled statewide, and improve student outcomes in literacy.

(2) The department, in collaboration with the literacy commission, shall establish the structure of the READ innovation competition, including the length of the competition, eligible categories in which districts may compete, the methods and timelines by which districts must collect and report data, the number of rounds of competition, the number of districts eligible to advance to subsequent rounds, and the amount of incentive payments provided per round per district.

(3) To be eligible to receive funding under this section, a district or intermediate district must apply in a form and manner determined by the department. The application must include, at a minimum, all of the following:

(a) The competition category in which the district will compete.

(b) A description of the innovative literacy initiative the district intends to deploy during the competition, including its goals, strategies, target student population, impacted student count, and intended outcomes.

(c) A description of how the district will measure student literacy outcomes during the time frame of the competition in a reliable, periodic, and standardized way, including methods by which student progress in the applicant district can be benchmarked against student progress in other districts.

(d) An agreement to provide data necessary for the department to evaluate student growth.

(e) The amount of funding required by the district to implement the innovative literacy initiative.

(4) Applications received by the department under this section must be evaluated by the literacy commission. A member of the literacy commission shall abstain from evaluating an application and making funding decisions under this section for any district in which the member has a conflict of interest. The evaluation must be based on, at a minimum, all of the following:

(a) The quality of innovation being proposed, the alignment with the selected competition category, and the likelihood that it will result in the outcomes included in the district's application.

(b) The percentage of students districtwide that will be impacted by the proposed program during the time frame of the competition.

(c) The level to which student literacy growth in the applicant district can be benchmarked against student literacy growth in other districts.

(d) The likelihood that the proposed initiative, if successful, could be expanded statewide.

(5) The department shall award startup funding to a selection of the highest scoring applicants for each competition category, based on the evaluation of applicants by the literacy commission. The department may determine a maximum number of eligible districts per competition category. A district is only eligible to compete in 1 competition category. The department may determine a maximum amount of startup money that may be received by any district. Recipients of funding under this subsection must use that funding to implement the recipient's proposed innovative literacy initiatives.

(6) On a periodic basis determined by the department, for each eligible competition category in which a district may compete, the eligible districts must measure and report to the department, in a form and manner determined by the department, growth in student literacy scores amongst students targeted by the innovative literacy initiative. The districts demonstrating the highest levels of student literacy growth advance to the next round of the competition and are eligible for additional incentive money to further implement their innovative literacy initiatives. The department must repeat the process described in this subsection until a selection of 3 finalist districts for each competition category are determined.

(7) The finalist districts for each competition category shall prepare a presentation for the literacy commission with a summary of the district's innovative literacy initiative, including evidence of student growth, specific implementation strategies that led to success, a description of implementation obstacles and the methods used by the district to overcome these obstacles, and ways the program could be scaled for statewide implementation. Based on this summary and the overall demonstrated success of the program, the literacy commission shall select 1 winning district from each competition category. The winning district from

each competition category is awarded, by the department, \$500,000.00 to continue to support literacy initiatives and other academic needs of the district.

(8) At the conclusion of the READ innovation competition, the literacy commission shall provide a report to the governor, the house and senate school aid subcommittees, the house and senate fiscal agencies, and the state budget director on the winning literacy initiatives that could be scaled statewide to improve student literacy.

(9) Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.

(10) Notwithstanding section 18a, funds allocated under this section may be available for expenditure until September 30, 2028. A recipient of funding under this section must return any unexpended funds to the department in the manner prescribed by the department by not later than October 30, 2028.

(11) The funds allocated under this section for 2024-2025 are a work project appropriation, and any unexpended funds for 2024-2025 are carried forward into 2025-2026. The purpose of the work project is to continue to implement the READ innovation competition and provide payments to districts implementing innovative literacy initiatives. The estimated completion date of the work project is September 30, 2027.

(12) As used in this section:

(a) "Literacy commission" means a commission or committee selected or assembled by the department for the purposes of administering this section.

(b) "READ innovation competition" means the reading excellence and advancing district innovation competition.

**History:** Add. 2024, Act 120, Eff. Oct. 1, 2024.