

HOUSE BILL No. 4462

March 26, 2003, Introduced by Reps. Hunter, McConico, Condino, Rivet, Elkins, Clack, Plakas, Sak, Stallworth, Phillips, Paletko, Accavitti, Hopgood, Meisner and Tobocman 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 2002 PA
521.

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 2001-2002 an
3 amount not to exceed \$314,200,000.00 and there is allocated each
4 fiscal year for 2002-2003 and for 2003-2004 an amount not to
5 exceed \$314,200,000.00 for payments to eligible districts and
6 eligible public school academies under this section. Subject to
7 subsection ~~-(11)-~~ **(12)**, the amount of the additional allowance
8 under this section shall be based on the number of ~~-actual~~
9 **eligible** pupils in membership in the district or public school
10 academy. **Subject to subsection (11), the number of eligible**

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

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

24 (a) The sum of the district's or public school academy's
25 combined state and local revenue per membership pupil in the
26 current state fiscal year, as calculated under section 20, plus
27 the amount of the district's per pupil allocation under section

1 20j(2), is less than or equal to \$6,500.00 adjusted by the dollar
2 amount of the difference between the basic foundation allowance
3 under section 20 for the current state fiscal year and
4 \$5,000.00. However, beginning in 2002-2003, the \$6,500.00 amount
5 prescribed in this subdivision shall be adjusted each year by an
6 amount equal to the dollar amount of the difference between the
7 basic foundation allowance for the current state fiscal year and
8 \$5,000.00, minus \$200.00.

9 (b) The district or public school academy agrees to use the
10 funding only for purposes allowed under this section and to
11 comply with the program and accountability requirements under
12 this section.

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

1 fiscal year and \$5,000.00, or of the public school academy's per
2 membership pupil amount calculated under section 20 for the
3 current state fiscal year. However, beginning in 2002-2003, the
4 \$6,500.00 amount prescribed in this subsection shall be adjusted
5 each year by an amount equal to the dollar amount of the
6 difference between the basic foundation allowance for the current
7 state fiscal year and \$5,000.00, minus \$200.00. A public school
8 academy that began operations as a public school academy after
9 the pupil membership count day of the immediately preceding
10 school year shall receive under this section for each
11 ~~membership~~ **eligible** pupil in the public school academy, ~~who~~
12 ~~met the income eligibility criteria for free breakfast, lunch, or~~
13 ~~milk, as determined under the Richard B. Russell national school~~
14 ~~lunch act and as reported to the department by October 31 of the~~
15 ~~current fiscal year and adjusted not later than December 31 of~~
16 ~~the current fiscal year,~~ an amount per pupil equal to 11.5% of
17 the public school academy's per membership pupil amount
18 calculated under section 20 for the current state fiscal year.

19 (4) Except as otherwise provided in this section, a district
20 or public school academy receiving funding under this section
21 shall use that money only to provide instructional programs and
22 direct noninstructional services, including, but not limited to,
23 medical or counseling services, for at-risk pupils; for school
24 health clinics; and for the purposes of subsection (5) or (6),
25 and shall not use any of that money for administrative costs or
26 to supplant another program or other funds, except for funds
27 allocated to the district or public school academy under this

1 section in the immediately preceding year and already being used
2 by the district or public school academy for at-risk pupils. The
3 instruction or direct noninstructional services provided under
4 this section may be conducted before or after regular school
5 hours or by adding extra school days to the school year and may
6 be conducted using a tutorial method, with paraprofessionals
7 working under the supervision of a certificated teacher. The
8 ratio of pupils to paraprofessionals shall be between 10:1 and
9 15:1. Only 1 certificated teacher is required to supervise
10 instruction using a tutorial method. As used in this subsection,
11 "to supplant another program" means to take the place of a
12 previously existing instructional program or direct
13 noninstructional services funded from a funding source other than
14 funding under this section.

15 (5) A district or public school academy that receives funds
16 under this section and that operates a school breakfast program
17 under section 1272a of the revised school code, MCL 380.1272a,
18 shall use from the funds received under this section an amount,
19 not to exceed \$10.00 per pupil for whom the district or public
20 school academy receives funds under this section, necessary to
21 operate the school breakfast program.

22 ~~(6) From the funds allocated under subsection (1), there is~~
23 ~~allocated for 2001-2002 an amount not to exceed \$2,400,000.00 to~~
24 ~~support teen health centers. These 2001-2002 funds shall be~~
25 ~~distributed to existing teen health centers in a manner~~
26 ~~determined by the department in collaboration with the department~~
27 ~~of community health. From the funds allocated under~~

1 subsection (1), there is allocated each fiscal year for 2002-2003
2 and for 2003-2004 an amount not to exceed \$3,743,000.00 for
3 competitive grants to support teen health centers. These grants
4 for 2002-2003 and 2003-2004 shall be awarded in a form and manner
5 approved jointly by the department and the department of
6 community health. If any funds allocated under this subsection
7 are not used for the purposes of this subsection for the fiscal
8 year in which they are allocated, those unused funds shall be
9 used that fiscal year to avoid or minimize any proration that
10 would otherwise be required under subsection ~~-(11)-~~ (12) for that
11 fiscal year.

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

1 subsection by the end of the state fiscal year, the withheld
2 funds shall be forfeited to the school aid fund.

3 (8) In order to receive funds under this section, a district
4 or public school academy shall allow access for the department or
5 the department's designee to audit all records related to the
6 program for which it receives those funds. The district or
7 public school academy shall reimburse the state for all
8 disallowances found in the audit.

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

26 (10) A district or public school academy may use funds
27 received under this section for adult high school completion,

1 general education development (G.E.D.) test preparation, or
2 adult basic education programs described in section 107.

3 (11) If a district elects to have its allocation based on
4 this subsection and notifies the department of that election not
5 later than October 1 of the affected fiscal year, then the number
6 of eligible pupils for that district is the sum of the following,
7 as determined by the department:

8 (a) The number of actual pupils in membership in the district
9 in schools that include grades K to 8 who met the income
10 eligibility criteria described in subsection (1), as determined
11 under subsection (1).

12 (b) A number of pupils in membership in the district in
13 schools that include grades 9 to 12 calculated by dividing the
14 number of pupils calculated under subdivision (a) by the total
15 number of actual pupils in membership in the district in schools
16 that include grades K to 8 and multiplying the resulting quotient
17 by the total number of actual pupils in membership in the
18 district in schools that include grades 9 to 12.

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

1 preceding fiscal year, as described in subsection (1).

2 **(13)** ~~—(12)—~~ Funds allocated under this section that are
3 unexpended and unencumbered at the end of the fiscal year for
4 which they were allocated shall be carried forward and used in
5 subsequent fiscal years to avoid or minimize any proration that
6 would otherwise be required under subsection ~~—(11)—~~ **(12)**.

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
10 under this section, the amount of the additional allowance under
11 this section for the consolidated district shall be based on the
12 number of pupils described in subsection (1) enrolled in the
13 consolidated district who reside in the territory of an original
14 district that was eligible before the consolidation for an
15 additional allowance 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
21 milk in the immediately preceding state fiscal year, as
22 determined and reported as described in subsection (1), and at
23 least 4,500 of the pupils in membership in the district or public
24 school academy met the income eligibility criteria for free
25 breakfast, lunch, or milk in the immediately preceding state
26 fiscal year, as determined and reported as described in
27 subsection (1). A district or public school academy that is

1 eligible for funding under this section because the district
2 meets the requirements of this subsection shall receive under
3 this section for each membership pupil in the district or public
4 school academy who met the income eligibility criteria for free
5 breakfast, lunch, or milk in the immediately preceding fiscal
6 year, as determined and reported as described in subsection (1),
7 an amount per pupil equal to ~~5.75% for 2001-2002 and~~ 11.5% for
8 2002-2003 and subsequent fiscal years of the sum of the
9 district's foundation allowance or public school academy's per
10 pupil allocation under section 20, plus the amount of the
11 district's per pupil allocation under section 20j(2), not to
12 exceed \$6,500.00 adjusted by the dollar amount of the difference
13 between the basic foundation allowance under section 20 for the
14 current state fiscal year and \$5,000.00. However, beginning in
15 2002-2003, the \$6,500.00 amount prescribed in this subsection
16 shall be adjusted each year by an amount equal to the dollar
17 amount of the difference between the basic foundation allowance
18 for the current state fiscal year and \$5,000.00, minus \$200.00.

19 **(16)** ~~-(15)-~~ As used in this section, "at-risk pupil" means a
20 pupil for whom the district has documentation that the pupil
21 meets at least 2 of the following criteria: is a victim of child
22 abuse or neglect; is below grade level in English language and
23 communication skills or mathematics; is a pregnant teenager or
24 teenage parent; is eligible for a federal free or reduced-price
25 lunch subsidy; has atypical behavior or attendance patterns; or
26 has a family history of school failure, incarceration, or
27 substance abuse. For pupils for whom the results of at least the

1 applicable Michigan education assessment program (MEAP) test have
2 been received, at-risk pupil also includes a pupil who does not
3 meet the other criteria under this subsection but who did not
4 achieve at least a score of moderate on the most recent MEAP
5 reading test for which results for the pupil have been received,
6 did not achieve at least a score of moderate on the most recent
7 MEAP mathematics test for which results for the pupil have been
8 received, or did not achieve at least a score of novice on the
9 most recent MEAP science test for which results for the pupil
10 have been received. For pupils in grades K-3, at-risk pupil also
11 includes a pupil who is at risk of not meeting the district's
12 core academic curricular objectives in English language,
13 communication skills, or mathematics.