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SFA**BILL ANALYSIS**

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Senate Bill 802 (as reported with amendments)
Sponsor: Senator Leon Stille
Committee: Appropriations

CONTENT

The bill would amend the State School Aid Act to allow public school academies (PSAs) located within eligible local school districts to apply for pilot reading improvement program grants. The bill also would change the eligibility criteria of pupils determined to have a reading disability from “pupils enrolled” to the number of pupils in the district as determined in the December 1, 1998, head count required under the Individuals With Disabilities Act. In addition, the bill would allow districts or PSAs receiving a grant to carry over any unused funds to the following school fiscal year. Finally, the bill would remove all of the date deadlines in the current Act.

Currently, only local school districts may apply for these pilot reading improvement program grants. To be eligible, a local school district must have at least 1,500 pupils in membership and at least 8% of the students **enrolled** must be determined to have a reading disability according to R 340.1713 of the Michigan Administrative Code. Districts must apply to the Department of Education by December 1, 1999, and the Superintendent of Public Instruction must make award decisions and notify the districts of the decisions by February 1, 2000. A single district may not receive more than 25% of the total allocation. Also, there is currently no provision to allow for the carry forward of any unused funds into the next school fiscal year for expenditure in that fiscal year.

This bill would allow PSAs located in an eligible school district to apply for a pilot reading improvement grant; however, the PSAs would not have to meet the eligibility criteria required of the local school district. The bill also would change the criteria from 8% of students **enrolled** to 8% of students in membership **as determined by the head count data**. The original intent of the language was to use head count data rather than enrollment (or membership) data, to determine eligibility since head count data are what is used to determine Federal funding eligibility. Finally, the bill would add new language that would permit grant recipients (both local school districts and PSAs) to carry forward unused funds to the succeeding school fiscal year and allow for the expenditure of those funds in that fiscal year.

MCL 388.1632

FISCAL IMPACT

The bill would have no fiscal impact on State resources as the original \$5,000,000 appropriation would remain unchanged with this language.

Eligible local school districts that apply for grants and that otherwise might have been awarded a grant could be denied funding, in order for a grant to be awarded to a public school academy. There are an estimated 24 local school districts that meet the eligibility criteria for grant funding. The recommended change would result in an additional 12 PSAs (located within five of the 24 eligible local districts) also becoming eligible to apply for a pilot reading improvement program grant. The results could be that the \$5,000,000 appropriation would have to be divided among more grant recipients, thus resulting in smaller grant amounts, or that a local school district that otherwise might have been awarded a grant could be denied funding altogether in order for a public school academy to receive a grant.

The exact amount of the fiscal impact on any particular local school district is indeterminable. The decision for grant awards and the amounts of those awards are at the sole discretion of the Department of Education.

Date Completed: 11-16-99

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.