

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 802

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending section 32f (MCL 388.1632f), as added by 2000
PA 297.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 32f. (1) From the state school aid fund allocation
2 under section 32a(1), there is allocated ~~each fiscal year~~ for
3 2000-2001 ~~, for 2001-2002, and for 2002-2003~~ an amount not to
4 exceed ~~\$72,500,000.00~~ \$57,500,000.00 AND THERE IS ALLOCATED
5 EACH FISCAL YEAR FOR 2001-2002 AND 2002-2003 AN AMOUNT NOT TO
6 EXCEED \$55,000,000.00, for grants under this section. From the
7 general fund allocation under section 32a(1), there is allocated
8 each fiscal year for 2000-2001, for 2001-2002, and for 2002-2003
9 an amount not to exceed \$2,750,000.00 for the purposes of
10 subsections ~~(5)~~ (4) and ~~(6)~~ (5).

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1 (2) ~~—(3) from~~ From the allocation in subsection (1), there
2 is allocated each fiscal year for 2000-2001, for 2001-2002, and
3 for 2002-2003 an amount not to exceed \$5,000,000.00 for providing
4 grants to the 8 regional literacy centers for the purposes of
5 expanding training programs for trainers and teachers in the use
6 of strategies for reading instruction and assessment, including
7 the Michigan literacy progress profile.

8 (3) ~~—(4)~~ From the allocation in subsection (1), there is
9 allocated for 2000-2001 an amount not to exceed \$2,500,000.00 for
10 competitive grants to higher education institutions for the
11 development or enhancement of programs to meet the needs of
12 autism impaired pupils. These programs may include, but are not
13 limited to, student intervention centers on campus.

14 (4) ~~—(5)~~ From the general fund allocation in subsection
15 (1), there is allocated to the department each fiscal year for
16 2000-2001, for 2001-2002, and for 2002-2003 an amount not to
17 exceed \$2,500,000.00 for the development and dissemination of
18 read, educate, and develop youth (READY) kits to parents of pre-
19 school and kindergarten children to provide these parents with
20 information about how they can prepare their children for reading
21 success.

22 (5) ~~—(6)~~ From the general fund allocation in subsection
23 (1), there is allocated to the department each fiscal year for
24 2000-2001, for 2001-2002, and for 2002-2003 an amount not to
25 exceed \$250,000.00 for the grant review process and grant admin-
26 istration under this section.

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1 (6) ~~(7)~~ Except as otherwise provided in subsection ~~(2)~~
2 (18), to be eligible for a grant under this section, a district
3 must have had at least 1,500 pupils in membership in 1998-99, and
4 the number of pupils in the district that have been determined to
5 have a specific learning disability according to R 340.1713 of
6 the Michigan administrative code, as determined in the December
7 1, 1998 head count required under the individuals with disabili-
8 ties education act, title VI of Public Law 91-230, must equal or
9 exceed 5% of the district's membership. In addition, a district
10 is eligible for a grant under this section if the district had at
11 least 1,500 pupils in membership in 1998-99 and if not more than
12 41% of the district's pupils who took the spring 1999 fourth
13 grade MEAP reading test achieved a score of at least
14 satisfactory. Except as otherwise provided in subsection ~~(2)~~
15 (18), for a public school academy to be eligible for a grant
16 under this section, the public school academy must be located in
17 a district that is eligible under this subsection.

18 (7) ~~(8)~~ From the allocation in subsection (1), there is
19 allocated each fiscal year for 2000-2001, for 2001-2002, and for
20 2002-2003 an amount not to exceed \$50,000,000.00 for competitive
21 grants to eligible districts, to intermediate districts, and to
22 public school academies located within eligible districts for
23 reading improvements programs for pupils in grades K to 4, read-
24 ing disorders and reading methods programs, mentoring programs,
25 language and literacy outreach programs, or cognitive development
26 programs.

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1 ~~(9) If a district or public school academy meets the~~
2 ~~eligibility criteria under both subsections (2) and (7), the~~
3 ~~district or public school academy may receive funding only under~~
4 ~~1 of subsection (2) or (8), as elected by the district or public~~
5 ~~school academy.~~

6 (8) ~~(10) To~~ EXCEPT AS OTHERWISE PROVIDED IN
7 SUBSECTION (18), TO qualify for funding under this section, a
8 proposed reading improvement program must meet all of the
9 following:

10 (a) The program shall include assessment of reading skills
11 of pupils in grades K to 4 to identify those pupils who are read-
12 ing below grade level and must provide special reading assistance
13 for these pupils.

14 (b) The program shall be a research-based, validated, struc-
15 tured reading program.

16 (c) The program shall include continuous assessment of
17 pupils and individualized education plans for pupils.

18 (d) The program shall align learning resources to state
19 standards.

20 (e) For each school building receiving funding under this
21 section for a reading improvement program, the program shall
22 serve at least 25% of pupils who are identified as at-risk, as
23 determined by the Michigan literacy progress profile, of reading
24 failure, and the amount of the grant shall not exceed \$85,000.00
25 per school building annually.

26 (9) ~~(11)~~ Funds allocated for programs described in
27 subsection ~~(10)~~ (8) may be used to reimburse grant recipients

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1 for funds paid by districts for up to 1/2 of the salaries and
2 benefits for each teacher trained and certified to provide a
3 reading improvement program.

4 (10) ~~-(12)-To-~~ EXCEPT AS OTHERWISE PROVIDED UNDER
5 SUBSECTION (18), TO qualify for funding under this section, a
6 proposed mentoring program must be a research-based, validated
7 program or a statewide 1-to-1 mentoring program to enhance the
8 independence and life quality of pupils who are mentally impaired
9 by providing opportunities for mentoring and integrated
10 employment.

11 (11) ~~-(13)-To-~~ EXCEPT AS OTHERWISE PROVIDED UNDER
12 SUBSECTION (18), TO qualify for funding under this section, a
13 proposed cognitive development program must be a research-based,
14 validated educational service program, focused on assessing and
15 building essential cognitive and perceptual learning abilities to
16 strengthen pupil concentration and learning.

17 (12) ~~-(14)-To-~~ EXCEPT AS OTHERWISE PROVIDED UNDER
18 SUBSECTION (18), TO qualify for funding under this section, a
19 proposed structured mentoring-tutorial reading program for pre-
20 school to grade 4 pupils must be a research-based, validated pro-
21 gram that develops individualized instructional plans based on
22 each pupil's age, assessed needs, reading level, interests, and
23 learning style.

24 (13) ~~-(15)-~~ A program receiving funding under this section
25 may be conducted outside of regular school hours or outside the
26 regular school calendar.

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1 (14) ~~(16)~~ To compete for a grant under this section, an
2 applicant shall apply to the superintendent in the form and
3 manner prescribed by the superintendent. The department shall
4 make applications available for this purpose. An applicant shall
5 include in its application a projected budget for the programs.
6 The grant recipient shall provide at least a 20% local match from
7 local public or private resources for the funds received under
8 this section. Not more than 1/2 of this matching requirement, up
9 to a total of 10% of the total project budget, may be satisfied
10 through in-kind services provided by participating providers of
11 programs or services. In addition, not more than 10% of the
12 grant may be used for program administration.

13 (15) ~~(17)~~ The superintendent shall approve or disapprove
14 applications and notify the applicant of that decision. Priority
15 in awarding grants shall be given to programs that focus on
16 accelerating student achievement on a cost-effective basis,
17 reducing the number of pupils requiring special education pro-
18 grams and services, and improving pupil scores on standardized
19 tests and assessments.

20 (16) ~~(18)~~ A grant recipient receiving funds under this
21 section shall report to the department, in the form and manner
22 prescribed by the department, on the results achieved by the
23 program. At a minimum, the grant recipient shall report to the
24 department by October 15 regarding the program's impact on reduc-
25 ing the number of pupils requiring special education programs and
26 services and on improving pupil scores on standardized tests and
27 assessments, and information on the costs and benefits per unit

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1 of pupil improvement. In addition, the report shall state the
2 number of pupils eligible for free or reduced price school lunch
3 who received services under the program and the total number of
4 pupils who received services under the program. Not later than
5 November 15 of each fiscal year, the department shall submit a
6 report to the legislature, the state budget director, and the
7 senate and house fiscal agencies detailing the results of the
8 programs. It is the intent of the legislature that further fund-
9 ing for the programs under this section will reflect the results
10 achieved in these programs.

11 (17) ~~(19)~~ Notwithstanding section 17b, payments under this
12 section shall be paid on a schedule determined by the
13 department.

14 (18) FOR A DISTRICT OR PUBLIC SCHOOL ACADEMY AWARDED A GRANT
15 UNDER FORMER SECTION 32, THE DETERMINATION OF WHETHER THE DIS-
16 TRICT OR PUBLIC SCHOOL ACADEMY IS ELIGIBLE FOR A GRANT UNDER THIS
17 SECTION MAY BE MADE ACCORDING TO THE ELIGIBILITY STANDARDS IN
18 EFFECT UNDER FORMER SECTION 32. FURTHER, THE DISTRICT OR PUBLIC
19 SCHOOL ACADEMY MAY CONTINUE TO USE THE GRANT PROCEEDS FOR ANY USE
20 PERMISSIBLE UNDER THIS SECTION OR FORMER SECTION 32 AS IN EFFECT
21 AT THE TIME THE DISTRICT OR PUBLIC SCHOOL ACADEMY WAS AWARDED THE
22 GRANT.

23 (19) ~~(20)~~ If the maximum amount appropriated under this
24 section exceeds the amount necessary to fully fund allocations
25 under this section, that excess amount shall not be expended in
26 that state fiscal year but shall instead be carried forward to

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1 the succeeding fiscal year and added to any funds appropriated
2 for that fiscal year for expenditure in that fiscal year.

3 (20) A DISTRICT THAT RECEIVED FUNDING FOR 1999-2000 UNDER
4 FORMER SECTION 32 SHALL RECEIVE FUNDING UNDER THIS SECTION FOR
5 2000-2001, 2001-2002, AND 2002-2003.