

SENATE BILL NO. 114

January 27, 1999, Introduced by Senators YOUNG, EMERSON, CHERRY, PETERS, V. SMITH, STEIL, BYRUM and GOSCHKA 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 31c (MCL 388.1631c), as amended by 1998 PA
339.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 31c. ~~-(1) From the state school aid fund appropriation~~
2 ~~in section 11, there is allocated for 1997-98 an amount not to~~
3 ~~exceed \$100,000.00 for planning grants to districts that are~~
4 ~~awarded pilot program grants under subsections (2) to (8) for~~
5 ~~1998-99. An application for a grant under this subsection shall~~
6 ~~be in the form and manner prescribed by the superintendent of~~
7 ~~public instruction. The amount of each grant under this subsec-~~
8 ~~tion shall be in the same proportion to the total allocation~~
9 ~~under this subsection as the proportion that the amount of the~~
10 ~~district's grant under subsections (2) to (8) bears to the total~~

1 ~~allocation under subsection (2). These planning grants shall be~~
2 ~~distributed not later than April 20, 1998.~~

3 (1) ~~(2)~~ From the state school aid fund appropriation in
4 section 11, there is allocated for 1998-99 and for 1999-2000 an
5 amount not to exceed \$19,750,000.00 each fiscal year for grants
6 to eligible districts for pilot programs to maintain or establish
7 small classes in grades K to 3 in eligible school buildings in
8 the district.

9 (2) ~~(3)~~ To be eligible for a grant under subsection ~~(2)~~
10 (1), a district must have at least 1 eligible school building and
11 shall apply to the superintendent of public instruction not later
12 than February 1, 1998 in the form and manner prescribed by the
13 superintendent of public instruction. The department shall make
14 applications available for this purpose not later than December
15 15, 1997. A district shall include in its application a
16 projected budget for maintaining or establishing small classes in
17 grades K to 3 and shall demonstrate in the projected budget that
18 at least \$2,000,000.00 or 25% of the funds received by the dis-
19 trict under section 31a, whichever is less, will be used to sup-
20 port small classes under this section. The superintendent of
21 public instruction shall approve or disapprove applications and
22 notify the applying district of that decision not later than
23 April 1, 1998.

24 (3) ~~(4)~~ For a school building to be eligible for funding
25 under this section, the school building must operate at least 1
26 of grades K to 3; the school building must be operated by a
27 district that operates all of grades K to 12 and that receives

1 funds under section 31a; and at least 50% of the actual pupils
 2 enrolled in the school building in the immediately preceding
 3 fiscal year must have been eligible for free lunch, as determined
 4 under the national school lunch act, chapter 281, 60 Stat. 230,
 5 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766b, 1769,
 6 1769b to 1769c, and 1769f TO 1769h, and reported to the depart-
 7 ment not later than October 31 of the immediately preceding
 8 fiscal year and adjusted not later than December 31 of the imme-
 9 diately preceding fiscal year.

10 (4) ~~(5)~~ Not more than 25% of the total allocation under
 11 subsection ~~(2)~~ (1) may be paid to any 1 particular district.
 12 The department shall make allocations under subsection ~~(2)~~ (1)
 13 to at least 12 districts, and the districts shall be geograph-
 14 ically diverse.

15 (5) ~~(6)~~ A district receiving funds under subsection ~~(2)~~
 16 (1) shall use the funds to maintain or establish small classes in
 17 grades K to 3 in school buildings of the district for which funds
 18 are received under this section. The average class size shall be
 19 not more than 17 pupils per class, with not more than 19 pupils
 20 in any particular class. A district receiving funds under sub-
 21 section ~~(2)~~ (1) shall use at least \$2,000,000.00 or 25% of the
 22 funds the district receives for 1998-99 under section 31a, which-
 23 ever is less, for the purposes of this section.

24 (6) ~~(7)~~ Funding to districts under this section for
 25 1998-99 is intended to be for the first of ~~4~~ 2 years of funding
 26 and funding to districts under this section for 1999-2000 is
 27 intended to be for the second of ~~4~~ 2 years of funding.

1 (7) ~~(8)~~ From the general fund appropriation in section 11,
2 there is allocated to the department for 1998-99 an amount not to
3 exceed \$250,000.00 for a study of the effectiveness of small
4 classes in improving pupil performance. The funds allocated
5 under this subsection may be expended after the 1998-99 fiscal
6 year through the end of either the fourth fiscal year of funding
7 under this section or the final fiscal year of funding under this
8 section, whichever occurs earlier.

9 (8) IT IS THE INTENT OF THE LEGISLATURE TO APPROPRIATE SUFFICIENT FUNDS BEGINNING IN 2000-2001 TO ASSIST DISTRICTS TO MEET THE CLASS SIZE REQUIREMENTS OF SECTION 1290 OF THE REVISED SCHOOL CODE, MCL 380.1290. THE PROJECTED AMOUNTS OF THESE APPROPRIATIONS DURING THE PHASE-IN PERIOD UNDER THAT SECTION ARE AS FOLLOWS:

- 15 (A) \$119,000,000.00 FOR 2000-2001.
- 16 (B) \$305,000,000.00 FOR 2001-2002.
- 17 (C) \$539,300,000.00 FOR 2002-2003.
- 18 (D) \$740,200,000.00 FOR 2003-2004.
- 19 (E) \$991,900,000.00 FOR 2004-2005.

20 Enacting section 1. This amendatory act does not take
21 effect unless Senate Bill No. 115
22 of the 90th Legislature is enacted into
23 law.