

SENATE BILL No. 1183

November 30, 2016, Introduced by Senators HOPGOOD, ANANICH, KNEZEK,
JOHNSON, BIEDA and GREGORY and referred to the Committee on Families, Seniors
and Human Services.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending section 32d (MCL 388.1632d), as amended by 2016 PA 249.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 32d. (1) From the funds appropriated in section 11, there
2 is allocated to eligible intermediate districts and consortia of
3 intermediate districts for great start readiness programs an amount
4 not to exceed ~~\$243,600,000.00~~ **\$396,600,000.00** for ~~2016-2017-~~**2017-**
5 **2018**. Funds allocated under this section for great start readiness
6 programs shall be used to provide part-day, school-day, or
7 GSRP/head start blended comprehensive free compensatory classroom
8 programs designed to improve the readiness and subsequent
9 achievement of educationally disadvantaged children who meet the
10 participant eligibility and prioritization guidelines as defined by
11 the department. For a child to be eligible to participate in a

1 program under this section, the child shall be at least 4, but less
2 than 5, years of age as of September 1 of the school year in which
3 the program is offered and shall meet those eligibility and
4 prioritization guidelines. BEGINNING IN 2017-2018, FOR A CHILD TO
5 BE ELIGIBLE TO PARTICIPATE IN A PROGRAM UNDER THIS SECTION, THE
6 CHILD SHALL BE AT LEAST 3, BUT LESS THAN 5, YEARS OF AGE AS OF
7 SEPTEMBER 1 OF THE SCHOOL YEAR IN WHICH THE PROGRAM IS OFFERED AND
8 SHALL MEET THOSE ELIGIBILITY AND PRIORITIZATION GUIDELINES. IT IS
9 THE INTENT OF THE LEGISLATURE TO ALLOCATE FOR 2017-2018 AN
10 ADDITIONAL \$170,000,000.00 TO BEGIN SERVING ELIGIBLE 3-YEAR-OLDS
11 UNDER THIS SECTION AND TO ALLOCATE FOR 2018-2019 ANOTHER ADDITIONAL
12 \$170,000,000.00 FOR A TOTAL OF \$340,000,000.00 FOR 2018-2019 FOR
13 SERVING ALL ELIGIBLE 3-YEAR-OLDS. WITH THIS ADDITIONAL FUNDING, THE
14 TOTAL OVERALL ALLOCATION UNDER THIS SECTION FOR SERVING ALL
15 ELIGIBLE 3- AND 4-YEAR-OLDS IS EXPECTED TO BE \$736,600,000.00 FOR
16 2018-2019.

17 (2) Funds allocated under subsection (1) shall be allocated to
18 intermediate districts or consortia of intermediate districts based
19 on the formula in section 39. An intermediate district or
20 consortium of intermediate districts receiving funding under this
21 section shall act as the fiduciary for the great start readiness
22 programs. In order to be eligible to receive funds allocated under
23 this subsection from an intermediate district or consortium of
24 intermediate districts, a district, a consortium of districts, or a
25 public or private for-profit or nonprofit legal entity or agency
26 shall comply with this section and section 39.

27 (3) In addition to the allocation under subsection (1), from

1 the general fund money appropriated under section 11, there is
2 allocated an amount not to exceed \$300,000.00 for 2016-2017 for a
3 competitive grant to continue a longitudinal evaluation of children
4 who have participated in great start readiness programs.

5 (4) To be eligible for funding under this section, a program
6 shall prepare children for success in school through comprehensive
7 part-day, school-day, or GSRP/head start blended programs that
8 contain all of the following program components, as determined by
9 the department:

10 (a) Participation in a collaborative recruitment and
11 enrollment process to assure that each child is enrolled in the
12 program most appropriate to his or her needs and to maximize the
13 use of federal, state, and local funds.

14 (b) An age-appropriate educational curriculum that is in
15 compliance with the early childhood standards of quality for
16 prekindergarten children adopted by the state board.

17 (c) Nutritional services for all program participants
18 supported by federal, state, and local resources as applicable.

19 (d) Physical and dental health and developmental screening
20 services for all program participants.

21 (e) Referral services for families of program participants to
22 community social service agencies, including mental health
23 services, as appropriate.

24 (f) Active and continuous involvement of the parents or
25 guardians of the program participants.

26 (g) A plan to conduct and report annual great start readiness
27 program evaluations and continuous improvement plans using criteria

1 approved by the department.

2 (h) Participation in a school readiness advisory committee
3 convened as a workgroup of the great start collaborative that
4 provides for the involvement of classroom teachers, parents or
5 guardians of program participants, and community, volunteer, and
6 social service agencies and organizations, as appropriate. The
7 advisory committee annually shall review and make recommendations
8 regarding the program components listed in this subsection. The
9 advisory committee also shall make recommendations to the great
10 start collaborative regarding other community services designed to
11 improve all children's school readiness.

12 (i) The ongoing articulation of the kindergarten and first
13 grade programs offered by the program provider.

14 (j) Participation in this state's great start to quality
15 process with a rating of at least 3 stars.

16 (5) An application for funding under this section shall
17 provide for the following, in a form and manner determined by the
18 department:

19 (a) Ensure compliance with all program components described in
20 subsection (4).

21 (b) Except as otherwise provided in this subdivision, ensure
22 that at least 90% of the children participating in an eligible
23 great start readiness program for whom the intermediate district is
24 receiving funds under this section are children who live with
25 families with a household income that is equal to or less than 250%
26 of the federal poverty level. If the intermediate district
27 determines that all eligible children are being served and that

1 there are no children on the waiting list under section 39(1)(d)
2 who live with families with a household income that is equal to or
3 less than 250% of the federal poverty level, the intermediate
4 district may then enroll children who live with families with a
5 household income that is equal to or less than 300% of the federal
6 poverty level. The enrollment process shall consider income and
7 risk factors, such that children determined with higher need are
8 enrolled before children with lesser need. For purposes of this
9 subdivision, all age-eligible children served in foster care or who
10 are experiencing homelessness or who have individualized education
11 plans recommending placement in an inclusive preschool setting
12 shall be considered to live with families with household income
13 equal to or less than 250% of the federal poverty level regardless
14 of actual family income and shall be prioritized for enrollment
15 within the lowest quintile.

16 (c) Ensure that the applicant only uses qualified personnel
17 for this program, as follows:

18 (i) Teachers possessing proper training. A lead teacher must
19 have a valid teaching certificate with an early childhood (ZA or
20 ZS) endorsement or a bachelor's or higher degree in child
21 development or early childhood education with specialization in
22 preschool teaching. However, if an applicant demonstrates to the
23 department that it is unable to fully comply with this subparagraph
24 after making reasonable efforts to comply, teachers who have
25 significant but incomplete training in early childhood education or
26 child development may be used if the applicant provides to the
27 department, and the department approves, a plan for each teacher to

1 come into compliance with the standards in this subparagraph. A
2 teacher's compliance plan must be completed within 2 years of the
3 date of employment. Progress toward completion of the compliance
4 plan shall consist of at least 2 courses per calendar year.

5 (ii) Paraprofessionals possessing proper training in early
6 childhood education, including an associate's degree in early
7 childhood education or child development or the equivalent, or a
8 child development associate (CDA) credential. However, if an
9 applicant demonstrates to the department that it is unable to fully
10 comply with this subparagraph after making reasonable efforts to
11 comply, the applicant may use paraprofessionals who have completed
12 at least 1 course that earns college credit in early childhood
13 education or child development if the applicant provides to the
14 department, and the department approves, a plan for each
15 paraprofessional to come into compliance with the standards in this
16 subparagraph. A paraprofessional's compliance plan must be
17 completed within 2 years of the date of employment. Progress toward
18 completion of the compliance plan shall consist of at least 2
19 courses or 60 clock hours of training per calendar year.

20 (d) Include a program budget that contains only those costs
21 that are not reimbursed or reimbursable by federal funding, that
22 are clearly and directly attributable to the great start readiness
23 program, and that would not be incurred if the program were not
24 being offered. Eligible costs include transportation costs. The
25 program budget shall indicate the extent to which these funds will
26 supplement other federal, state, local, or private funds. Funds
27 received under this section shall not be used to supplant any

1 federal funds received by the applicant to serve children eligible
2 for a federally funded preschool program that has the capacity to
3 serve those children.

4 (6) For a grant recipient that enrolls pupils in a school-day
5 program funded under this section, each child enrolled in the
6 school-day program shall be counted as described in section 39 for
7 purposes of determining the amount of the grant award.

8 (7) For a grant recipient that enrolls pupils in a GSRP/head
9 start blended program, the grant recipient shall ensure that all
10 head start and GSRP policies and regulations are applied to the
11 blended slots, with adherence to the highest standard from either
12 program, to the extent allowable under federal law.

13 (8) An intermediate district or consortium of intermediate
14 districts receiving a grant under this section shall designate an
15 early childhood coordinator, and may provide services directly or
16 may contract with 1 or more districts or public or private for-
17 profit or nonprofit providers that meet all requirements of
18 subsections (4) and (5).

19 (9) An intermediate district or consortium of intermediate
20 districts may retain for administrative services provided by the
21 intermediate district or consortium of intermediate districts an
22 amount not to exceed 4% of the grant amount. Expenses incurred by
23 subrecipients engaged by the intermediate district or consortium of
24 intermediate districts for directly running portions of the program
25 shall be considered program costs or a contracted program fee for
26 service.

27 (10) An intermediate district or consortium of intermediate

1 districts may expend not more than 2% of the total grant amount for
2 outreach, recruiting, and public awareness of the program.

3 (11) Each grant recipient shall enroll children identified
4 under subsection (5) (b) according to how far the child's household
5 income is below 250% of the federal poverty level by ranking each
6 applicant child's household income from lowest to highest and
7 dividing the applicant children into quintiles based on how far the
8 child's household income is below 250% of the federal poverty
9 level, and then enrolling children in the quintile with the lowest
10 household income before enrolling children in the quintile with the
11 next lowest household income until slots are completely filled. If
12 the grant recipient determines that all eligible children are being
13 served and that there are no children on the waiting list under
14 section 39(1) (d) who live with families with a household income
15 that is equal to or less than 250% of the federal poverty level,
16 the grant recipient may then enroll children who live with families
17 with a household income that is equal to or less than 300% of the
18 federal poverty level. The enrollment process shall consider income
19 and risk factors, such that children determined with higher need
20 are enrolled before children with lesser need. For purposes of this
21 subdivision, all age-eligible children served in foster care or who
22 are experiencing homelessness or who have individualized education
23 plans recommending placement in an inclusive preschool setting
24 shall be considered to live with families with household income
25 equal to or less than 250% of the federal poverty level regardless
26 of actual family income and shall be prioritized for enrollment
27 within the lowest quintile.

1 (12) An intermediate district or consortium of intermediate
2 districts receiving a grant under this section shall allow parents
3 of eligible children who are residents of the intermediate district
4 or within the consortium to choose a program operated by or
5 contracted with another intermediate district or consortium of
6 intermediate districts and shall enter into a written agreement
7 regarding payment, in a manner prescribed by the department.

8 (13) An intermediate district or consortium of intermediate
9 districts receiving a grant under this section shall conduct a
10 local process to contract with interested and eligible public and
11 private for-profit and nonprofit community-based providers that
12 meet all requirements of subsection (4) for at least 30% of its
13 total slot allocation. For the purposes of this 30% allocation, an
14 intermediate district or consortium of intermediate districts may
15 count children served by a head start grantee or delegate in a
16 blended head start and great start readiness school-day program.
17 Children served in a program funded only through head start shall
18 not be counted toward this 30% allocation. The intermediate
19 district or consortium shall report to the department, in a manner
20 prescribed by the department, a detailed list of community-based
21 providers by provider type, including private for-profit, private
22 nonprofit, community college or university, head start grantee or
23 delegate, and district or intermediate district, and the number and
24 proportion of its total slot allocation allocated to each provider
25 as subrecipient. If the intermediate district or consortium is not
26 able to contract for at least 30% of its total slot allocation, the
27 grant recipient shall notify the department and, if the department

1 verifies that the intermediate district or consortium attempted to
2 contract for at least 30% of its total slot allocation and was not
3 able to do so, then the intermediate district or consortium may
4 retain and use all of its allocated slots as provided under this
5 section. To be able to use this exemption, the intermediate
6 district or consortium shall demonstrate to the department that the
7 intermediate district or consortium increased the percentage of its
8 total slot allocation for which it contracts with a community-based
9 provider and the intermediate district or consortium shall submit
10 evidence satisfactory to the department, and the department must be
11 able to verify this evidence, demonstrating that the intermediate
12 district or consortium took measures to contract for at least 30%
13 of its total slot allocation as required under this subsection,
14 including, but not limited to, at least all of the following
15 measures:

16 (a) The intermediate district or consortium notified each
17 nonparticipating licensed child care center located in the service
18 area of the intermediate district or consortium regarding the
19 center's eligibility to participate, in a manner prescribed by the
20 department.

21 (b) The intermediate district or consortium provided to each
22 nonparticipating licensed child care center located in the service
23 area of the intermediate district or consortium information
24 regarding great start readiness program requirements and a
25 description of the application and selection process for community-
26 based providers.

27 (c) The intermediate district or consortium provided to the

1 public and to participating families a list of community-based
2 great start readiness program subrecipients with a great start to
3 quality rating of at least 3 stars.

4 (14) If an intermediate district or consortium of intermediate
5 districts receiving a grant under this section fails to submit
6 satisfactory evidence to demonstrate its effort to contract for at
7 least 30% of its total slot allocation, as required under
8 subsection ~~(1)~~, **(13)**, the department shall reduce the slots
9 allocated to the intermediate district or consortium by a
10 percentage equal to the difference between the percentage of an
11 intermediate district's or consortium's total slot allocation
12 awarded to community-based providers and 30% of its total slot
13 allocation.

14 (15) In order to assist intermediate districts and consortia
15 in complying with the requirement to contract with community-based
16 providers for at least 30% of their total slot allocation, the
17 department shall do all of the following:

18 (a) Ensure that a great start resource center or the
19 department provides each intermediate district or consortium
20 receiving a grant under this section with the contact information
21 for each licensed child care center located in the service area of
22 the intermediate district or consortium by March 1 of each year.

23 (b) Provide, or ensure that an organization with which the
24 department contracts provides, a community-based provider with a
25 validated great start to quality rating within 90 days of the
26 provider's having submitted a request and self-assessment.

27 (c) Ensure that all intermediate district, district, community

1 college or university, head start grantee or delegate, private for-
2 profit, and private nonprofit providers are subject to a single
3 great start to quality rating system. The rating system shall
4 ensure that regulators process all prospective providers at the
5 same pace on a first-come, first-served basis and shall not allow 1
6 type of provider to receive a great start to quality rating ahead
7 of any other type of provider.

8 (d) Not later than December 1 of each year, compile the
9 results of the information reported by each intermediate district
10 or consortium under subsection ~~(10)~~(13) and report to the
11 legislature a list by intermediate district or consortium with the
12 number and percentage of each intermediate district's or
13 consortium's total slot allocation allocated to community-based
14 providers by provider type, including private for-profit, private
15 nonprofit, community college or university, head start grantee or
16 delegate, and district or intermediate district.

17 (16) A recipient of funds under this section shall report to
18 the department in a form and manner prescribed by the department
19 the number of children participating in the program who meet the
20 income eligibility criteria under subsection (5)(b) and the total
21 number of children participating in the program. For children
22 participating in the program who meet the income eligibility
23 criteria specified under subsection (5)(b), a recipient shall also
24 report whether or not a parent is available to provide care based
25 on employment status. For the purposes of this subsection,
26 "employment status" shall be defined by the department of health
27 and human services in a manner consistent with maximizing the

1 amount of spending that may be claimed for temporary assistance for
2 needy families maintenance of effort purposes.

3 (17) As used in this section:

4 (a) "GSRP/head start blended program" means a part-day program
5 funded under this section and a head start program, which are
6 combined for a school-day program.

7 (b) "Part-day program" means a program that operates at least
8 4 days per week, 30 weeks per year, for at least 3 hours of
9 teacher-child contact time per day but for fewer hours of teacher-
10 child contact time per day than a school-day program.

11 (c) "School-day program" means a program that operates for at
12 least the same length of day as a district's first grade program
13 for a minimum of 4 days per week, 30 weeks per year. A classroom
14 that offers a school-day program must enroll all children for the
15 school day to be considered a school-day program.

16 (18) An intermediate district or consortium of intermediate
17 districts receiving funds under this section shall establish a
18 sliding scale of tuition rates based upon household income for
19 children participating in an eligible great start readiness program
20 who live with families with a household income that is more than
21 250% of the federal poverty level to be used by all of its
22 providers, as approved by the department. A grant recipient shall
23 charge tuition according to that sliding scale of tuition rates on
24 a uniform basis for any child who does not meet the income
25 eligibility requirements under this section.

26 (19) From the amount appropriated in subsection (1), there is
27 allocated an amount not to exceed \$10,000,000.00 for reimbursement

1 of transportation costs for children attending great start
2 readiness programs funded under this section. To receive
3 reimbursement under this subsection, not later than November 1 ~~7~~
4 ~~2016,~~ **OF THE FISCAL YEAR,** a program funded under this section that
5 provides transportation shall submit to the intermediate district
6 that is the fiscal agent for the program a projected transportation
7 budget. The amount of the reimbursement for transportation under
8 this subsection shall be no more than the projected transportation
9 budget or \$150.00 multiplied by the number of slots funded for the
10 program under this section. If the amount allocated under this
11 subsection is insufficient to fully reimburse the transportation
12 costs for all programs that provide transportation and submit the
13 required information, the reimbursement shall be prorated in an
14 equal amount per slot funded. Payments shall be made to the
15 intermediate district that is the fiscal agent for each program,
16 and the intermediate district shall then reimburse the program
17 provider for transportation costs as prescribed under this
18 subsection.