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BILL ANALYSIS

Senate Fiscal Agency

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Senate Bill 833

Sponsor: Senator John F. Kelly

Committee: Appropriations

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SUMMARY OF SENATE BILL 833 as introduced 4-28-88:

The bill would amend the School Aid Act to do the following:

- Allocate \$20 million of the School Aid Fund for 1988-89 to develop or expand compensatory education programs for educationally disadvantaged children under age five.
- Require school districts to provide instruction in parenting for the parents of children in such a program, to be eligible for that allocation.
- Provide for a four-year phase-in of the State early education and development academy system (which would be created under Senate Bill 831).

The Act currently allocates \$2 million of the School Aid Fund appropriation for 1987-88 to enable eligible districts to develop or expand comprehensive compensatory education programs designed to improve the readiness and achievement of educationally disadvantaged children who will be at least four but under five years old as of December 1 of the year in which the programs are offered and meet other criteria. Under the bill, \$20 million would be allocated for 1988-89 for this purpose and the programs would be open to children under the age of five (if the other criteria were met).

The Act sets forth conditions that a district must meet to be eligible for an allocation of this money. The bill would add a requirement that the district provide appropriate instruction in parenting for the parents or guardians of the children in the program. Instruction would have to be given in prenatal, neonatal, infant, well-baby, and early childhood care. The classes would have to be mandatory for a parent or guardian who was a mandatory participant in the early education and development academy program, and would be permissive for all other parents and guardians in the program.

The State early education and development academy system would have to be phased in over a four-year period beginning in fiscal year 1988, and targeted areas would have to be selected giving first priority to those areas with the highest concentration of recipients of Aid to Families with Dependent Children, and to those areas with the greatest number of at-risk pupils.

The bill is tie-barred to Senate Bill 831.

MCL 388.1636 et al.

Legislative Analyst: S. Margules

FISCAL IMPACT

The bill would increase FY 1988-89 State school aid by \$18 million.

Specifically, the bill would increase the allocation under Section 36 of the School Aid Act from \$2 million in FY 1987-88 to \$20 million in FY 1988-89. The responsibilities of school districts under Section 36 are expanded as follows:

	Current FY 1987-88	Proposed FY 1988-89
Preschool Education	children age 4	children ages 0-5
Adult Education	none	AFDC parents in program

Although Senate Bill 833 would not amend Section 11 of the School Aid Act to increase the estimated appropriation by \$18 million, it is assumed that this amount is intended to be added to the school aid appropriation and not taken from another section of the Act.

The bill would retain the current formula for calculating a local school district's number of prekindergarten children needing readiness assistance (i.e., .5 X percent of pupils eligible for free lunch X average kindergarten enrollment of last two years), but would drop the current 13% minimum requirement. Instead, these child/parent instructional programs, referred to as the State Early Education and Development Academy System, would be phased-in over four years, with first priority given to "areas" with the highest concentration of AFDC recipients and the greatest number of at-risk pupils.

Section 39 of the School Aid Act, which is not in the bill, would allocate the \$20 million among school districts in decreasing order of concentration of eligible pupils and parents at a rate of \$1,600 per participant until the allocation was depleted.

Headlee Implications

The increased State aid provided by Senate Bill 833 would be mandatory rather than discretionary since companion Senate Bill 832 would amend the School Code to require that "The Board of a school district shall provide adult education courses to all persons participating in the State early education and development academy program...the delivery of the courses shall be administered in a manner consistent with the needs of the participants as determined from a profile obtained by individual educational psychological assessments conducted by the school board of the district in which the participants reside."

In light of the 1985 report of the Citizens Research Council of Michigan entitled, The Financing of Adult Education in Michigan, the proposed \$1,600 per-pupil grant would likely

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cover the full cost of the proposed adult education program.

Both Senate Bills 832 and 833 are tie-barred to Senate Bill 831, which would create neighborhood facilities for at-risk children and would require public assistance recipients in "high dependency areas" and their children to attend a "State early education and development academy" as a condition for receiving public assistance.

Fiscal Analyst: M. Addonizio

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.