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**House
Legislative
Analysis
Section**

**INCREASE CHILDHOOD EDUCATION
FUNDING; EXPAND TO THREE-
OLDS; FUND ISD SPECIALISTS**

**House Bill 5755
Sponsor: Rep. Kirk Profit
Committee: Appropriations**

Complete to 6-30-98

A SUMMARY OF HOUSE BILL 5755 AS INTRODUCED 4-22-98

House Bill 5755 would amend the State School Aid Act to increase the appropriation from the general fund by \$36,500,000 in order to develop and expand school readiness grants. Under the bill, total funds allocated to school readiness grants for fiscal year 1998-99 would be increased from \$55,000,000 to \$91,500,000. Further, the bill specifies that to be eligible for funding during fiscal year 1998-99, a child must be at least four- but less than five-years-old as of December 1 of the school year in which the program is offered, and must show evidence of one or more risk factors as defined by the state board of education report, published 4-5-88 and entitled "Children at Risk."

House Bill 5755 also specifies that to be eligible for funding during fiscal year 1999-2000, a child must be at least three- but less than five-years old, and show evidence of at least one at-risk characteristic. In order to expand the program to younger children, the bill states that it would be the intent of the legislature to appropriate sufficient funds to cover the participation of three-year-olds.

The bill also requires that school readiness funding be used in conjunction with whatever federal funds are available, including Title 1, Chapter 1, and Head Start funds.

Under current law, a district receiving a school readiness grant may contract for its comprehensive compensatory programs and retain five percent of the grant for administrative services. House Bill 5755 specifies that money used to employ or contract for early childhood specialists to support the program could not be counted in calculating the five percent. The bill also would prohibit the Department of Education from limiting the amount of grant proceeds a district could use for early childhood education professional development.

Under current law, if children other than those who are eligible participate in the program, state reimbursement is limited to costs attributable to educationally disadvantaged children. The bill would delete 'educationally disadvantaged' as an eligibility criterion, and make reference instead to eligible children.

Current law requires a district to submit a final application for approval of its program, indicating whether a number of program elements apply. One element is whether more than 50 percent of the children participating in the district's program meet the income eligibility criteria

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for free or reduced price lunch as determined under the National School Lunch Act, or meet the income and other eligibility criteria for the Family Independence Agency Unified Child Day Care Program. The bill would specify that for fiscal year 1998-99 and thereafter, children who meet these income eligibility criteria would be given priority for enrollment in the program. Further, beginning in fiscal year 1998-99, the bill would require that the district use at least three percent of its funds to employ or contract for an early childhood education specialist for the program, and specifies that a district could engage the specialist cooperatively with other districts or through the intermediate district.

House Bill 5755 would earmark an amount not to exceed \$4,000,000 for early childhood specialists at intermediate districts. The bill would require that the amount allocated to each intermediate district be sufficient to employ one early childhood education specialist on a full-time equated basis for each 1,000 children in the intermediate district eligible under the section. The bill would further require that the employment be in accordance with the applicable collective bargaining agreement, and that the intermediate district furnish the Department of Education with the information necessary to calculate its payment for providing this program.

Under current law, a consortium of two or more districts is eligible for an early childhood education grant if the districts designate a single fiscal agent for the allocation, and either a district or an intermediate district may administer the consortium. The allocation to each district for fiscal year 1997-98 was \$3,100 for each eligible child, distributed among districts in decreasing order of concentration of eligible children.

Under House Bill 5755, the fiscal year 1998-99 allocation would be increased to \$3,500. The bill also specifies that the foundation allowance for a consortium would be the weighted average foundation allowance among the participating districts, weighted as to membership. The bill also specifies that beginning in fiscal year 1999-2000, the tentative allocation for each fiscal year to each eligible district would be determined by multiplying the number of children the district indicates it will be able to serve, by the district foundation allowance. Finally, for fiscal year 1998-99 and thereafter, the bill specifies that for any district with 1,000 or more pupils, the number of eligible pupils would be 75 percent of the calculated number of children in need of special readiness assistance, as prescribed in Section 38. However, none of these districts could have less than 1,000 pupils for purposes of calculating the tentative allocation under Section 38, which describes eligible educationally disadvantaged children.

MCL 388.1611 et al.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.