

# HOUSE BILL No. 5755

April 22, 1998, Introduced by Rep. Profit and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 11, 36, 37, and 39 (MCL 388.1611, 388.1636, 388.1637, and 388.1639), sections 11, 36, and 39 as amended by 1997 PA 142 and section 37 as amended by 1996 PA 300, and by adding section 82; and to repeal acts and parts of acts.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 11. (1) For the fiscal year ending September 30, 1998,  
2 there is appropriated for the public schools of this state and  
3 certain other state purposes relating to education the sum of  
4 \$8,717,471,600.00 from the state school aid fund established by  
5 section 11 of article IX of the state constitution of 1963 and  
6 the sum of \$377,935,400.00 from the general fund. For the fiscal  
7 year ending September 30, 1999, there is appropriated for the  
8 public schools of this state and certain other state purposes

1 relating to education the sum of \$9,036,198,400.00 from the state  
2 school aid fund established by section 11 of article IX of the  
3 state constitution of 1963 and the sum of ~~-\$420,613,500.00-~~  
4 \$457,113,500.00 from the general fund. In addition, available  
5 federal funds are appropriated for 1997-98 and for 1998-99.

6 (2) The appropriations under this section shall be allocated  
7 as provided in this act. Money appropriated under this section  
8 from the general fund and from available federal funds shall be  
9 expended to fund the purposes of this act before the expenditure  
10 of money appropriated under this section from the state school  
11 aid fund. If the maximum amount appropriated under this section  
12 from the state school aid fund for a fiscal year exceeds the  
13 amount necessary to fully fund allocations under this act from  
14 the state school aid fund, that excess amount shall not be  
15 expended in that state fiscal year and shall not lapse to the  
16 general fund, but instead shall remain in the state school aid  
17 fund.

18 (3) If the maximum amount appropriated under this section  
19 and sections 11f and 11g from the state school aid fund for a  
20 fiscal year exceeds the amount available for expenditure from the  
21 state school aid fund for that fiscal year, payments under sec-  
22 tions 11f, 11g, and 51a(2) shall be made in full and payments  
23 under each of the other sections of this act shall be prorated on  
24 an equal percentage basis as necessary to reflect the amount  
25 available for expenditure from the state school aid fund for that  
26 fiscal year. However, if the department of treasury determines  
27 that proration will be required under this subsection, the

1 department of treasury shall notify the director of the  
2 department of management and budget, and the director of the  
3 department of management and budget shall notify the legislature  
4 at least 30 calendar days or 6 legislative session days, which-  
5 ever is more, before the department reduces any payments under  
6 this act because of the proration. During the 30 calendar day or  
7 6 legislative session day period after that notification by the  
8 director of the department of management and budget, the depart-  
9 ment shall not reduce any payments under this act because of pro-  
10 ration under this subsection. The legislature may prevent prora-  
11 tion from occurring by, within the 30 calendar day or 6 legisla-  
12 tive session day period after that notification by the department  
13 of management and budget, enacting legislation appropriating  
14 additional funds from the general fund, countercyclical budget  
15 and economic stabilization fund, state school aid fund balance,  
16 or another source to fund the amount of the projected shortfall.

17       Sec. 36. (1) From the state school aid fund money appropri-  
18 ated in section 11, there is allocated an amount not to exceed  
19 \$55,000,000.00 for 1997-98 and an amount not to exceed  
20 ~~\$55,000,000.00~~ \$91,500,000.00 for 1998-99 for school readiness  
21 grants to enable eligible districts, as determined under  
22 section 37, to develop or expand ~~—, in conjunction with whatever~~  
23 ~~federal funds may be available, including, but not limited to,~~  
24 ~~federal funds under title I of the elementary and secondary edu-~~  
25 ~~cation act of 1965, Public Law 89-10, 108 Stat. 3519, chapter 1~~  
26 ~~of title I of the Hawkins-Stafford elementary and secondary~~  
27 ~~school improvement amendments of 1988, Public Law 89-10, 102~~

1 ~~Stat. 140, and the head start act, subchapter B of chapter 8 of~~  
2 ~~subtitle A of title VI of the omnibus budget reconciliation act~~  
3 ~~of 1981, Public Law 97-35, 42 U.S.C. 9831 to 9835, 9836 to 9844,~~  
4 ~~9846, and 9848 to 9852a,~~ comprehensive compensatory programs  
5 designed to improve the readiness and subsequent achievement of  
6 ~~educationally disadvantaged children as defined by the depart-~~  
7 ~~ment who will~~ ELIGIBLE CHILDREN. FOR 1997-98, TO BE ELIGIBLE  
8 FOR FUNDING UNDER THIS SECTION, A CHILD PARTICIPATING IN THE PRO-  
9 GRAM SHALL be at least 4, but less than 5, years of age ~~,~~ as of  
10 December 1 of the school year in which the programs are offered,  
11 and ~~who~~ MUST show evidence of 2 or more risk factors as defined  
12 in the state board report entitled "children at risk" that was  
13 adopted by the state board on April 5, 1988. FOR 1998-99, TO BE  
14 ELIGIBLE FOR FUNDING UNDER THIS SECTION, A CHILD SHALL BE AT  
15 LEAST 4, BUT LESS THAN 5, YEARS OF AGE AS OF DECEMBER 1 OF THE  
16 SCHOOL YEAR IN WHICH THE PROGRAMS ARE OFFERED, AND MUST SHOW EVI-  
17 DENCE OF 1 OR MORE RISK FACTORS AS DEFINED IN THE STATE BOARD  
18 REPORT ENTITLED "CHILDREN AT RISK" THAT WAS ADOPTED BY THE STATE  
19 BOARD ON APRIL 5, 1988. FOR 1999-2000 AND THEREAFTER, TO BE ELI-  
20 GIBLE FOR FUNDING UNDER THIS SECTION A CHILD SHALL BE AT LEAST 3,  
21 BUT LESS THAN 5, YEARS OF AGE AS OF DECEMBER 1 OF THE SCHOOL YEAR  
22 IN WHICH THE PROGRAMS ARE OFFERED, AND MUST SHOW EVIDENCE OF 1 OR  
23 MORE RISK FACTORS AS DEFINED IN THE STATE BOARD REPORT ENTITLED  
24 "CHILDREN AT RISK" THAT WAS ADOPTED BY THE STATE BOARD ON APRIL  
25 5, 1988. IT IS THE INTENT OF THE LEGISLATURE TO APPROPRIATE SUF-  
26 FICIENT ADDITIONAL FUNDS FOR THIS SECTION FOR 1999-2000 TO FUND  
27 THE PARTICIPATION OF 3-YEAR-OLDS IN PROGRAMS UNDER THIS SECTION.

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1 (2) FUNDING UNDER THIS SECTION SHALL BE USED IN CONJUNCTION  
2 WITH WHATEVER FEDERAL FUNDS MAY BE AVAILABLE, INCLUDING, BUT NOT  
3 LIMITED TO, FEDERAL FUNDS UNDER TITLE I OF THE ELEMENTARY AND  
4 SECONDARY EDUCATION ACT OF 1965, PUBLIC LAW 89-10, 108 STAT.  
5 3519, 20 U.S.C. 6301 TO 6304, 6311 TO 6338, 6361 TO 6370, 6391 TO  
6 6399, 6421 TO 6472, 6491 TO 6493, AND 6511 TO 6514, FORMER CHAP-  
7 TER 1 OF TITLE I OF THE HAWKINS-STAFFORD ELEMENTARY AND SECONDARY  
8 SCHOOL IMPROVEMENT AMENDMENTS OF 1988, AND THE HEAD START ACT,  
9 SUBCHAPTER B OF CHAPTER 8 OF SUBTITLE A OF TITLE VI OF THE OMNI-  
10 BUS BUDGET RECONCILIATION ACT OF 1981, PUBLIC LAW 97-35, 42  
11 U.S.C. 9831 TO 9835, 9836 TO 9844, 9846, AND 9848 TO 9852a.

12 (3) A comprehensive compensatory program funded under this  
13 section shall include an age-appropriate educational curriculum,  
14 nutritional services, health screening for participating chil-  
15 dren, a plan for parent and legal guardian involvement, and pro-  
16 vision of referral services for families eligible for community  
17 social services. ~~In addition, from the general fund money~~  
18 ~~appropriated in section 11, there is allocated for 1997-98 and~~  
19 ~~for 1998-99 an amount not to exceed \$200,000.00 each fiscal year~~  
20 ~~for the purposes of subsection (2).~~

21 (4) ~~(2)~~ From the general fund ~~allocation in subsection~~  
22 ~~(1)~~ MONEY APPROPRIATED IN SECTION 11, there is allocated each  
23 fiscal year for 1997-98 and 1998-99 an amount not to exceed  
24 \$200,000.00 for a competitive grant to continue a longitudinal  
25 evaluation of children who have participated in the Michigan  
26 school readiness program.

1           (5) ~~(3)~~ A district receiving a grant under this section  
2 may contract for the provision of the comprehensive compensatory  
3 program and retain for administrative services an amount equal to  
4 not more than 5% of the grant amount. MONEY USED TO EMPLOY OR  
5 CONTRACT FOR EARLY CHILDHOOD SPECIALISTS TO SUPPORT THE PROGRAM  
6 SHALL NOT BE COUNTED IN CALCULATING THIS 5% AMOUNT.

7           (6) THE DEPARTMENT SHALL NOT LIMIT THE AMOUNT OF GRANT PRO-  
8 CEEDS A DISTRICT RECEIVING A GRANT UNDER THIS SECTION MAY EXPEND  
9 FOR PROFESSIONAL DEVELOPMENT CONCERNING EARLY CHILDHOOD  
10 EDUCATION.

11           Sec. 37. (1) A district is eligible for an allocation under  
12 section 36 if the district meets all of the requirements in  
13 subsections (2), (3), and (4).

14           (2) The district shall submit a preapplication, in a manner  
15 and on forms prescribed by the department, by a date specified by  
16 the department in the immediately preceding state fiscal year.  
17 The preapplication shall include a comprehensive needs assessment  
18 and community collaboration plan, and shall identify all of the  
19 following:

20           (a) The estimated total number of children in the community  
21 who meet the criteria of section 36 and how that calculation was  
22 made.

23           (b) The estimated number of children in the community who  
24 meet the criteria of section 36 and are being served by other  
25 early childhood development programs operating in the community,  
26 and how that calculation was made.

1 (c) The number of children the district will be able to  
2 serve who meet the criteria of section 36, including a  
3 verification of physical facility and staff resources capacity.

4 (d) The estimated number of children who meet the criteria  
5 of section 36 who will remain unserved after the district and  
6 community early childhood programs have met their funded  
7 enrollments. The school district shall maintain a waiting list  
8 of identified unserved eligible children who would be served when  
9 openings are available.

10 (3) The district shall submit a final application for  
11 approval, in a manner and on forms prescribed by the department,  
12 by a date specified by the department. The final application  
13 shall indicate all of the following that apply:

14 (a) The district complies with the state board approved  
15 standards of quality and curriculum guidelines for early child-  
16 hood programs for 4-year-olds AND, BEGINNING WITH APPLICATIONS  
17 FOR 1999-2000, 3-YEAR-OLDS.

18 (b) The district provides for the active and continuous par-  
19 ticipation of parents or guardians of the children in the pro-  
20 gram, and describes the district's participation plan as part of  
21 the application.

22 (c) The district only employs for this program the  
23 following:

24 (i) Teachers possessing proper training, including, but not  
25 limited to, a valid teaching certificate and an early childhood  
26 (ZA) endorsement. This provision does not apply to a district  
27 that subcontracts with an eligible child development program. In

1 that situation a teacher must have a valid teaching certificate  
2 and may have a child development associate credential (CDA)  
3 instead of an early childhood (ZA) endorsement.

4 (ii) Paraprofessionals possessing proper training in early  
5 childhood development or who have completed at least 1 course in  
6 an appropriate training program, including, but not limited to, a  
7 child development associate credential (CDA) or associate degree  
8 in child development or other similar program, as approved by the  
9 department.

10 (d) The district has submitted for approval a program budget  
11 that includes only those costs not reimbursed or reimbursable by  
12 federal funding, that are clearly and directly attributable to  
13 the early childhood readiness program, and that would not be  
14 incurred if the program were not being offered. If children  
15 other than those determined to be ~~educationally disadvantaged~~  
16 ELIGIBLE participate in the program, state reimbursement under  
17 section 36 shall be limited to the portion of approved costs  
18 attributable to ~~educationally disadvantaged~~ ELIGIBLE children.

19 (e) The district has established a school readiness advisory  
20 committee consisting of, at a minimum, classroom teachers for  
21 prekindergarten, kindergarten, and first grade; parents or guard-  
22 ians of program participants; representatives from appropriate  
23 community agencies and organizations; the district curriculum  
24 director or equivalent administrator; and, if feasible, a school  
25 psychologist, school social worker, or school counselor. In  
26 addition, there shall be on the committee at least 1 parent or  
27 guardian of a program participant for every 18 children enrolled

1 in the program, with a minimum of 2 parent or guardian  
2 representatives. The committee shall do all of the following:

3 (i) Ensure the ongoing articulation of the early childhood,  
4 kindergarten, and first grade programs offered by the district.

5 (ii) Review the mechanisms and criteria used to determine  
6 participation in the early childhood program.

7 (iii) Review the health screening program for all  
8 participants.

9 (iv) Review the nutritional services provided to program  
10 participants.

11 (v) Review the mechanisms in place for the referral of fami-  
12 lies to community social service agencies, as appropriate.

13 (vi) Review the collaboration with and the involvement of  
14 appropriate community, volunteer, and social service agencies and  
15 organizations in addressing all aspects of educational  
16 disadvantage.

17 (vii) Review, evaluate, and make recommendations to a local  
18 school readiness program or programs for changes to the school  
19 readiness program.

20 (f) The district has submitted for departmental approval a  
21 plan to conduct and report annual school readiness program evalu-  
22 ations using criteria approved by the department. At a minimum,  
23 the evaluations shall include assessment of the gains in educa-  
24 tional readiness and progress through first grade of children  
25 participating in the school readiness program.

26 (g) ~~More~~ FOR 1997-98, MORE than 50% of the children  
27 participating in the program meet the income eligibility criteria

1 for free or reduced price lunch, as determined under the national  
2 school lunch act, chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to  
3 1753, 1755 to 1761, 1762a, 1765 to 1766b, ~~and~~ 1769, 1769b TO  
4 1769c, AND 1769f to 1769h, or meet the income and all other eli-  
5 gibility criteria for the family independence agency unified  
6 child day care program. FOR 1998-99 AND THEREAFTER, CHILDREN WHO  
7 MEET THE INCOME ELIGIBILITY CRITERIA FOR FREE OR REDUCED PRICE  
8 LUNCH, AS DETERMINED UNDER THE NATIONAL SCHOOL LUNCH ACT, CHAPTER  
9 281, 60 STAT. 230, 42 U.S.C. 1751 TO 1753, 1755 TO 1761, 1762a,  
10 1765 TO 1766b, 1769, 1769b TO 1769c, AND 1769f TO 1769h, OR MEET  
11 THE INCOME AND ALL OTHER ELIGIBILITY CRITERIA FOR THE FAMILY  
12 INDEPENDENCE AGENCY UNIFIED CHILD DAY CARE PROGRAM, WILL BE GIVEN  
13 PRIORITY FOR ENROLLMENT IN THE PROGRAM.

14 (H) BEGINNING IN 1998-99, THAT THE DISTRICT WILL USE AT  
15 LEAST 3% OF THE FUNDS RECEIVED UNDER SECTION 36 TO EMPLOY OR CON-  
16 TRACT FOR AN EARLY CHILDHOOD EDUCATION SPECIALIST FOR THE  
17 PROGRAM. A DISTRICT MAY ENGAGE THE SPECIALIST COOPERATIVELY WITH  
18 OTHER DISTRICTS OR THROUGH THE INTERMEDIATE DISTRICT.

19 (4) A consortium of 2 or more districts shall be eligible  
20 for an allocation under section 36 if the districts designate a  
21 single fiscal agent for the allocation. A district or intermedi-  
22 ate district may administer a consortium described in this  
23 subsection. A consortium shall submit a single preapplication  
24 and application for the children to be served, regardless of the  
25 number of districts participating in the consortium. FOR THE  
26 PURPOSES OF SECTION 39, THE FOUNDATION ALLOWANCE FOR A CONSORTIUM  
27 SHALL BE CONSIDERED TO BE THE WEIGHTED AVERAGE FOUNDATION

1 ALLOWANCE AMONG THE PARTICIPATING DISTRICTS, WEIGHTED AS TO  
2 MEMBERSHIP.

3 (5) With the final application, an applicant district shall  
4 submit to the department a resolution adopted by its board certi-  
5 fying the number of ~~4-year-old~~ ELIGIBLE children ~~who show evi-~~  
6 ~~dence of risk factors~~ as described in section 36, ~~who meet the~~  
7 ~~income eligibility criteria for free or reduced price lunch or~~  
8 ~~the income and all other eligibility criteria for the family~~  
9 ~~independence agency unified child day care program, and~~ who will  
10 participate in a school readiness program funded under  
11 section 36.

12 Sec. 39. (1) The tentative allocation ~~for each fiscal~~  
13 ~~year~~ to each eligible district under section 36 shall be deter-  
14 mined by multiplying the number of children determined in  
15 section 38 or the number of children the district indicates it  
16 will be able to serve under section 37(2)(c), whichever is less,  
17 by \$3,100.00 FOR 1997-98 AND BY \$3,500.00 FOR 1998-99, and shall  
18 be distributed among districts in decreasing order of concentra-  
19 tion of eligible children as determined by section 38 until the  
20 money allocated in section 36 is distributed. BEGINNING IN  
21 1999-2000, THE TENTATIVE ALLOCATION FOR EACH FISCAL YEAR TO EACH  
22 ELIGIBLE DISTRICT SHALL BE DETERMINED BY MULTIPLYING THE NUMBER  
23 OF CHILDREN THE DISTRICT INDICATES IT WILL BE ABLE TO SERVE UNDER  
24 SECTION 37(2)(C) BY THE DISTRICT'S FOUNDATION ALLOWANCE.

25 (2) A district that has not less than 50 eligible children  
26 shall receive priority over other eligible districts other than  
27 those districts funded under subsection (3).

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1 (3) A district that received funds under this section in at  
2 least 1 of the 2 immediately preceding fiscal years shall receive  
3 priority in funding over other eligible districts. However,  
4 funding beyond 3 state fiscal years is contingent upon the avail-  
5 ability of funds and documented evidence satisfactory to the  
6 department of compliance with all operational, fiscal, adminis-  
7 trative, and other program requirements.

8 (4) ~~A~~ FOR 1997-98, A district that offers supplementary  
9 day care funded by funds other than those received under this  
10 section and therefore offers full-day programs as part of its  
11 early childhood development program shall receive priority in the  
12 allocation of funds under this section over other eligible dis-  
13 tricts other than those districts funded under subsection (3).

14 (5) For 1997-98 ONLY, FOR any district with 315 or more eli-  
15 gible pupils, the number of eligible pupils shall be 65% of the  
16 number calculated under section 38. However, none of these dis-  
17 tricts may have less than 315 pupils for purposes of calculating  
18 the tentative allocation under section 36.

19 (6) FOR 1998-99 AND THEREAFTER, FOR ANY DISTRICT WITH 1,000  
20 OR MORE PUPILS, THE NUMBER OF ELIGIBLE PUPILS SHALL BE 75% OF THE  
21 NUMBER CALCULATED UNDER SECTION 38. HOWEVER, NONE OF THESE DIS-  
22 TRICTS MAY HAVE LESS THAN 1,000 PUPILS FOR PURPOSES OF CALCULAT-  
23 ING THE TENTATIVE ALLOCATION UNDER SECTION 36.

24 (7) ~~(6)~~ If, taking into account the total amount to be  
25 allocated to the district FOR 1997-98 as calculated under this  
26 section, a district determines that it is able to include  
27 additional eligible children in the school readiness program FOR

1 1997-98 without additional funds under this section, the district  
2 may include additional eligible children but shall not receive  
3 additional funding under this section for those children.

4 SEC. 82. FROM THE MONEY APPROPRIATED IN SECTION 11, THERE  
5 IS ALLOCATED TO INTERMEDIATE DISTRICTS FOR 1998-99 AN AMOUNT NOT  
6 TO EXCEED \$4,000,000.00 FOR EARLY CHILDHOOD EDUCATION  
7 SPECIALISTS. THE AMOUNT ALLOCATED TO EACH INTERMEDIATE DISTRICT  
8 UNDER THIS SECTION SHALL BE AN AMOUNT SUFFICIENT FOR THE INTERME-  
9 DIATE DISTRICT TO EMPLOY 1 EARLY CHILDHOOD EDUCATION SPECIALIST  
10 ON A FULL-TIME EQUATED BASIS FOR EACH 1,000 CHILDREN IN THE  
11 INTERMEDIATE DISTRICT ELIGIBLE UNDER SECTION 36. THE EMPLOYMENT  
12 SHALL BE IN ACCORDANCE WITH THE APPLICABLE COLLECTIVE BARGAINING  
13 AGREEMENT. AN INTERMEDIATE DISTRICT SHALL USE FUNDS RECEIVED  
14 UNDER THIS SECTION ONLY FOR THE PURPOSES OF THIS SECTION, AND  
15 SHALL PROVIDE TO THE DEPARTMENT THE INFORMATION THE DEPARTMENT  
16 REQUIRES TO CALCULATE THE AMOUNT OF THE PAYMENTS UNDER THIS  
17 SECTION.