

SENATE BILL No. 1186

November 8, 2018, Introduced by Senators HOPGOOD and GREGORY 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 and 32d (MCL 388.1611 and 388.1632d), as
amended by 2018 PA 265.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) For the fiscal year ending September 30, 2018,
2 there is appropriated for the public schools of this state and
3 certain other state purposes relating to education the sum of
4 \$12,682,127,200.00 from the state school aid fund, the sum of
5 \$78,500,000.00 from the general fund, an amount not to exceed
6 \$72,000,000.00 from the community district education trust fund
7 created under section 12 of the Michigan trust fund act, 2000 PA
8 489, MCL 12.262, an amount not to exceed \$23,100,000.00 from the
9 MPSERS retirement obligation reform reserve fund, and an amount not
10 to exceed \$100.00 from the water emergency reserve fund. For the

fiscal year ending September 30, 2019, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of ~~\$12,876,825,200.00~~ **\$13,198,825,200.00** from the state school aid fund, the sum of \$60,000,000.00 from the general fund, an amount not to exceed \$72,000,000.00 from the community district education trust fund created under section 12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262, an amount not to exceed \$31,900,000.00 from the MPSERS retirement obligation reform reserve fund, and an amount not to exceed \$100.00 from the water emergency reserve fund. In addition, all available federal funds are appropriated each fiscal year for the fiscal years ending September 30, 2018 and September 30, 2019.

(2) The appropriations under this section shall be allocated as provided in this article. Money appropriated under this section from the general fund shall be expended to fund the purposes of this article before the expenditure of money appropriated under this section from the state school aid fund.

(3) Any general fund allocations under this article that are not expended by the end of the state fiscal year are transferred to the school aid stabilization fund created under section 11a.

Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to eligible intermediate districts and consortia of intermediate districts for great start readiness programs an amount not to exceed ~~\$243,600,000.00~~ **\$383,600,000.00** for 2018-2019 **TO FULLY FUND ALL ELIGIBLE 4-YEAR-OLDS AND AN ADDITIONAL \$182,000,000.00 TO BEGIN PROVIDING PROGRAMMING FOR ELIGIBLE 3-YEAR-**

1 **OLDS.** Funds allocated under this section for great start readiness
2 programs shall be used to provide part-day, school-day, or
3 GSRP/Head Start blended comprehensive free compensatory classroom
4 programs designed to improve the readiness and subsequent
5 achievement of educationally disadvantaged children who meet the
6 participant eligibility and prioritization guidelines as defined by
7 the department. For a child to be eligible to participate in a
8 program under this section, the child shall be at least ~~4~~**3**, but
9 less than 5, years of age as of September 1 of the school year in
10 which the program is offered and shall meet those eligibility and
11 prioritization guidelines. A child who is not ~~4~~**3** years of age as
12 of September 1, but who will be ~~4~~**3** years of age not later than
13 December 1, is eligible to participate if the child's parent or
14 legal guardian seeks a waiver from the September 1 eligibility date
15 by submitting a request for enrollment in a program to the
16 responsible intermediate district, if the program has capacity on
17 or after September 1 of the school year, and if the child meets
18 eligibility and prioritization guidelines. **IT IS THE INTENT OF THE**
19 **LEGISLATURE TO ALLOCATE FOR 2019-2020 ANOTHER ADDITIONAL**
20 **\$182,000,000.00, FOR A TOTAL OF \$364,000,000.00, TO FULLY FUND THE**
21 **PROGRAMS UNDER THIS SECTION FOR ALL ELIGIBLE 3-YEAR-OLDS.**

22 (2) From the funds allocated under subsection (1), an amount
23 not to exceed \$242,600,000.00 is allocated to intermediate
24 districts or consortia of intermediate districts based on the
25 formula in section 39. An intermediate district or consortium of
26 intermediate districts receiving funding under this section shall
27 act as the fiduciary for the great start readiness programs. In

1 order to be eligible to receive funds allocated under this
2 subsection from an intermediate district or consortium of
3 intermediate districts, a district, a consortium of districts, or a
4 public or private for-profit or nonprofit legal entity or agency
5 shall comply with this section and section 39.

6 (3) In addition to the allocation under subsection (1), from
7 the general fund money appropriated under section 11, there is
8 allocated an amount not to exceed \$300,000.00 for 2018-2019 for a
9 competitive grant to continue a longitudinal evaluation of children
10 who have participated in great start readiness programs.

11 (4) To be eligible for funding under this section, a program
12 shall prepare children for success in school through comprehensive
13 part-day, school-day, or GSRP/Head Start blended programs that
14 contain all of the following program components, as determined by
15 the department:

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

20 (b) An age-appropriate educational curriculum that is in
21 compliance with the early childhood standards of quality for
22 prekindergarten children adopted by the state board, including, at
23 least, the Connect4Learning curriculum.

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

26 (d) Physical and dental health and developmental screening
27 services for all program participants.

1 (e) Referral services for families of program participants to
2 community social service agencies, including mental health
3 services, as appropriate.

4 (f) Active and continuous involvement of the parents or
5 guardians of the program participants.

6 (g) A plan to conduct and report annual great start readiness
7 program evaluations and continuous improvement plans using criteria
8 approved by the department.

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

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

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

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

26 (a) Ensure compliance with all program components described in
27 subsection (4).

(b) Except as otherwise provided in this subdivision, ensure that at least 90% of the children participating in an eligible great start readiness program for whom the intermediate district is receiving funds under this section are children who live with families with a household income that is equal to or less than 250% of the federal poverty level. If the intermediate district determines that all eligible children are being served and that there are no children on the waiting list who live with families with a household income that is equal to or less than 250% of the federal poverty level, the intermediate district may then enroll children who live with families with a household income that is equal to or less than 300% of the federal poverty level. The enrollment process shall consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subdivision, all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education plans recommending placement in an inclusive preschool setting shall be considered to live with families with household income equal to or less than 250% of the federal poverty level regardless of actual family income and shall be prioritized for enrollment within the lowest quintile.

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

(i) Teachers possessing proper training. A lead teacher must have a valid teaching certificate with an early childhood (ZA or ZS) endorsement or a bachelor's or higher degree in child

1 development or early childhood education with specialization in
2 preschool teaching. However, if an applicant demonstrates to the
3 department that it is unable to fully comply with this subparagraph
4 after making reasonable efforts to comply, teachers who have
5 significant but incomplete training in early childhood education or
6 child development may be used if the applicant provides to the
7 department, and the department approves, a plan for each teacher to
8 come into compliance with the standards in this subparagraph. A
9 teacher's compliance plan must be completed within 2 years of the
10 date of employment. Progress toward completion of the compliance
11 plan shall consist of at least 2 courses per calendar year.

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

27 (d) Include a program budget that contains only those costs

1 that are not reimbursed or reimbursable by federal funding, that
2 are clearly and directly attributable to the great start readiness
3 program, and that would not be incurred if the program were not
4 being offered. Eligible costs include transportation costs. The
5 program budget shall indicate the extent to which these funds will
6 supplement other federal, state, local, or private funds. Funds
7 received under this section shall not be used to supplant any
8 federal funds received by the applicant to serve children eligible
9 for a federally funded preschool program that has the capacity to
10 serve those children.

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

15 (7) For a grant recipient that enrolls pupils in a GSRP/Head
16 Start blended program, the grant recipient shall ensure that all
17 Head Start and GSRP policies and regulations are applied to the
18 blended slots, with adherence to the highest standard from either
19 program, to the extent allowable under federal law.

20 (8) An intermediate district or consortium of intermediate
21 districts receiving a grant under this section shall designate an
22 early childhood coordinator, and may provide services directly or
23 may contract with 1 or more districts or public or private for-
24 profit or nonprofit providers that meet all requirements of
25 subsections (4) and (5).

26 (9) An intermediate district or consortium of intermediate
27 districts may retain for administrative services provided by the

1 intermediate district or consortium of intermediate districts an
2 amount not to exceed 4% of the grant amount. Expenses incurred by
3 subrecipients engaged by the intermediate district or consortium of
4 intermediate districts for directly running portions of the program
5 shall be considered program costs or a contracted program fee for
6 service.

7 (10) An intermediate district or consortium of intermediate
8 districts may expend not more than 2% of the total grant amount for
9 outreach, recruiting, and public awareness of the program.

10 (11) Each grant recipient shall enroll children identified
11 under subsection (5)(b) according to how far the child's household
12 income is below 250% of the federal poverty level by ranking each
13 applicant child's household income from lowest to highest and
14 dividing the applicant children into quintiles based on how far the
15 child's household income is below 250% of the federal poverty
16 level, and then enrolling children in the quintile with the lowest
17 household income before enrolling children in the quintile with the
18 next lowest household income until slots are completely filled. If
19 the grant recipient determines that all eligible children are being
20 served and that there are no children on the waiting list who live
21 with families with a household income that is equal to or less than
22 250% of the federal poverty level, the grant recipient may then
23 enroll children who live with families with a household income that
24 is equal to or less than 300% of the federal poverty level. The
25 enrollment process shall consider income and risk factors, such
26 that children determined with higher need are enrolled before
27 children with lesser need. For purposes of this subdivision, all

1 age-eligible children served in foster care or who are experiencing
2 homelessness or who have individualized education plans
3 recommending placement in an inclusive preschool setting shall be
4 considered to live with families with household income equal to or
5 less than 250% of the federal poverty level regardless of actual
6 family income and shall be prioritized for enrollment within the
7 lowest quintile.

8 (12) An intermediate district or consortium of intermediate
9 districts receiving a grant under this section shall allow parents
10 of eligible children who are residents of the intermediate district
11 or within the consortium to choose a program operated by or
12 contracted with another intermediate district or consortium of
13 intermediate districts and shall enter into a written agreement
14 regarding payment, in a manner prescribed by the department.

15 (13) An intermediate district or consortium of intermediate
16 districts receiving a grant under this section shall conduct a
17 local process to contract with interested and eligible public and
18 private for-profit and nonprofit community-based providers that
19 meet all requirements of subsection (4) for at least 30% of its
20 total allocation. For the purposes of this 30% allocation, an
21 intermediate district or consortium of intermediate districts may
22 count children served by a Head Start grantee or delegate in a
23 blended Head Start and great start readiness school-day program.
24 Children served in a program funded only through Head Start shall
25 not be counted toward this 30% allocation. The intermediate
26 district or consortium shall report to the department, in a manner
27 prescribed by the department, a detailed list of community-based

1 providers by provider type, including private for-profit, private
2 nonprofit, community college or university, Head Start grantee or
3 delegate, and district or intermediate district, and the number and
4 proportion of its total allocation allocated to each provider as
5 subrecipient. If the intermediate district or consortium is not
6 able to contract for at least 30% of its total allocation, the
7 grant recipient shall notify the department and, if the department
8 verifies that the intermediate district or consortium attempted to
9 contract for at least 30% of its total allocation and was not able
10 to do so, then the intermediate district or consortium may retain
11 and use all of its allocation as provided under this section. To be
12 able to use this exemption, the intermediate district or consortium
13 shall demonstrate to the department that the intermediate district
14 or consortium increased the percentage of its total allocation for
15 which it contracts with a community-based provider and the
16 intermediate district or consortium shall submit evidence
17 satisfactory to the department, and the department must be able to
18 verify this evidence, demonstrating that the intermediate district
19 or consortium took measures to contract for at least 30% of its
20 total allocation as required under this subsection, including, but
21 not limited to, at least all of the following measures:

22 (a) The intermediate district or consortium notified each
23 nonparticipating licensed child care center located in the service
24 area of the intermediate district or consortium regarding the
25 center's eligibility to participate, in a manner prescribed by the
26 department.

27 (b) The intermediate district or consortium provided to each

1 nonparticipating licensed child care center located in the service
2 area of the intermediate district or consortium information
3 regarding great start readiness program requirements and a
4 description of the application and selection process for community-
5 based providers.

6 (c) The intermediate district or consortium provided to the
7 public and to participating families a list of community-based
8 great start readiness program subrecipients with a great start to
9 quality rating of at least 3 stars.

10 (14) If an intermediate district or consortium of intermediate
11 districts receiving a grant under this section fails to submit
12 satisfactory evidence to demonstrate its effort to contract for at
13 least 30% of its total allocation, as required under subsection
14 (13), the department shall reduce the allocation to the
15 intermediate district or consortium by a percentage equal to the
16 difference between the percentage of an intermediate district's or
17 consortium's total allocation awarded to community-based providers
18 and 30% of its total allocation.

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

23 (a) Ensure that a great start resource center or the
24 department provides each intermediate district or consortium
25 receiving a grant under this section with the contact information
26 for each licensed child care center located in the service area of
27 the intermediate district or consortium by March 1 of each year.

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

5 (c) Ensure that all intermediate district, district, community
6 college or university, Head Start grantee or delegate, private for-
7 profit, and private nonprofit providers are subject to a single
8 great start to quality rating system. The rating system shall
9 ensure that regulators process all prospective providers at the
10 same pace on a first-come, first-served basis and shall not allow 1
11 type of provider to receive a great start to quality rating ahead
12 of any other type of provider.

13 (d) Not later than December 1 of each year, compile the
14 results of the information reported by each intermediate district
15 or consortium under subsection (13) and report to the legislature a
16 list by intermediate district or consortium with the number and
17 percentage of each intermediate district's or consortium's total
18 allocation allocated to community-based providers by provider type,
19 including private for-profit, private nonprofit, community college
20 or university, Head Start grantee or delegate, and district or
21 intermediate district.

22 (16) A recipient of funds under this section shall report to
23 the center in a form and manner prescribed by the center the number
24 of children participating in the program who meet the income
25 eligibility criteria under subsection (5)(b) and the total number
26 of children participating in the program.

27 (17) As used in this section:

1 (a) "GSRP/Head Start blended program" means a part-day program
2 funded under this section and a Head Start program, which are
3 combined for a school-day program.

4 (b) "Part-day program" means a program that operates at least
5 4 days per week, 30 weeks per year, for at least 3 hours of
6 teacher-child contact time per day but for fewer hours of teacher-
7 child contact time per day than a school-day program.

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

13 (18) An intermediate district or consortium of intermediate
14 districts receiving funds under this section shall establish and
15 charge tuition according to a sliding scale of tuition rates based
16 upon household income for children participating in an eligible
17 great start readiness program who live with families with a
18 household income that is more than 250% of the federal poverty
19 level to be used by all of its providers, as approved by the
20 department.

21 (19) From the amount appropriated in subsection (1), there is
22 allocated an amount not to exceed \$10,000,000.00 for reimbursement
23 of transportation costs for children attending great start
24 readiness programs funded under this section. To receive
25 reimbursement under this subsection, not later than November 1,
26 2018, a program funded under this section that provides
27 transportation shall submit to the intermediate district that is

1 the fiscal agent for the program a projected transportation budget.
2 The amount of the reimbursement for transportation under this
3 subsection shall be no more than the projected transportation
4 budget or \$300.00 multiplied by the number of children funded for
5 the program under this section. If the amount allocated under this
6 subsection is insufficient to fully reimburse the transportation
7 costs for all programs that provide transportation and submit the
8 required information, the reimbursement shall be prorated in an
9 equal amount per child funded. Payments shall be made to the
10 intermediate district that is the fiscal agent for each program,
11 and the intermediate district shall then reimburse the program
12 provider for transportation costs as prescribed under this
13 subsection.

14 (20) Subject to, and from the funds allocated under,
15 subsection (19), the department shall reimburse a program for
16 transportation costs related to parent- or guardian-accompanied
17 transportation provided by transportation service companies, buses,
18 or other public transportation services. To be eligible for
19 reimbursement under this subsection, a program must be a community-
20 based provider and must submit to the department all of the
21 following:

22 (a) The names of families provided with transportation support
23 along with a documented reason for the need for transportation
24 support and the type of transportation provided.

25 (b) Financial documentation of actual transportation costs
26 incurred by the program, including, but not limited to, receipts
27 and mileage reports, as determined by the department.

1 (c) Any other documentation or information determined
2 necessary by the department.

3 (21) The department shall implement a process to review and
4 approve age-appropriate comprehensive classroom level quality
5 assessments for GSRP grantees that support the early childhood
6 standards of quality for prekindergarten children adopted by the
7 state board. The department shall make available to intermediate
8 districts at least 2 classroom level quality assessments that were
9 approved in 2018.

10 (22) An intermediate district that is a GSRP grantee may
11 approve the use of a supplemental curriculum that aligns with and
12 enhances the age-appropriate educational curriculum in the
13 classroom. If the department objects to the use of a supplemental
14 curriculum approved by an intermediate district, the superintendent
15 of public instruction shall establish a review committee
16 independent of the department. The review committee shall meet
17 within 60 days of the department registering its objection in
18 writing and provide a final determination on the validity of the
19 objection within 60 days of the review committee's first meeting.

20 (23) The department shall implement a process to evaluate and
21 approve age-appropriate educational curricula that are in
22 compliance with the early childhood standards of quality for
23 prekindergarten children adopted by the state board.

24 (24) From the funds allocated under subsection (1), there is
25 allocated an amount not to exceed \$1,000,000.00 for payments to
26 intermediate districts or consortia of intermediate districts for
27 professional development for educators in programs implementing new

1 curricula in 2019-2020.

2 (25) A great start readiness program or a GSRP/Head Start
3 blended program funded under this section shall be permitted to
4 utilize AmeriCorps Pre-K Reading Corps members in classrooms
5 implementing research-based early literacy intervention strategies.

6 Enacting section 1. In accordance with section 30 of article
7 IX of the state constitution of 1963, total state spending on
8 school aid under article I of the state school aid act of 1979,
9 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this amendatory
10 act from state sources for fiscal year 2018-2019 is estimated at
11 \$13,362,725,300.00 and state appropriations for school aid to be
12 paid to local units of government for fiscal year 2018-2019 are
13 estimated at \$13,169,081,000.00.