



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING



THOMAS D. WATKINS, JR.  
SUPERINTENDENT OF PUBLIC  
INSTRUCTION

JENNIFER M. GRANHOLM  
GOVERNOR

January 24, 2005

TO: State Board of Education

FROM: Thomas D. Watkins, Jr., Chairman  
*Tom Watkins*

SUBJECT: Approval of Criteria for the 2005-2006 Michigan School Readiness Program Grants for Four-Year-Old Children At Risk of School Failure

The Michigan School Readiness Program is a state-funded preschool program for four-year-old children at risk of school failure. Since its inception in 1985, more than 298,000 children have been served.

Public Act 351 of 2004, the State School Aid Act, Sections 32d and 37-40, outlines the Michigan School Readiness Program. Section 32d has set aside \$72,600,000 for 2004-2005 to be allocated to eligible school districts and public school academies by a **formula** defined in Section 38. The Michigan Department of Education Appropriations Act, Public Act 346 of 2004, provides an additional \$12,250,000 for Michigan School Readiness Program grants in 2004-2005 to be awarded to public and private, nonprofit and other community agencies through a **competitive** grant award process. It is expected that the State School Aid Act and department appropriations legislation introduced for 2005-2006 will continue level funding.

Applicants for State School Aid grants are local school districts or public school academies that have completed the Comprehensive Community Needs and Resources Assessment (CNRA), the pre-application designed to assist in estimating a district's/public school academy's eligible population. Eligible grant applicants for the competitive funds are early childhood programs operated by any public or private non-profit legal entity or agency other than a local or intermediate school district. A local or intermediate school district acting as fiscal agent for a Head Start grantee program is eligible to apply for funds.

Criteria for both the competitive programs and those programs being operated by school districts/public school academies receiving state aid funds are provided in Attachment A.

It is recommended that the State Board of Education approve the criteria for the 2005-2006 Michigan School Readiness Program Grants for Four-Year-Old Children At Risk of School Failure as described in the Superintendent's memorandum dated January 24, 2005.

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MICHIGAN  
STATE BOARD OF EDUCATION

Criteria for Michigan School Readiness Program Grants for Four-Year-Old Children  
At Risk of School Failure

The State Board of Education has adopted as its Strategic Goal “Attain substantial and meaningful improvement in academic achievement for all students/children, with primary emphasis on high priority schools and students.” In addition, the State Board has adopted the following five Strategic Initiatives to implement the goal:

- |                                  |                                       |
|----------------------------------|---------------------------------------|
| Ensuring Excellent Educators     | • Ensuring Early Childhood Literacy   |
| Elevating Educational Leadership | • Integrating Communities and Schools |
| Embracing the Information Age    |                                       |

To the extent possible, all grant criteria and grant awards will include priority consideration of the Strategic Goal and the Strategic Initiatives.

**BACKGROUND/PURPOSE OF GRANT**

- Competitive       Formula       New       Continuation

The Michigan School Readiness Program is a state-funded preschool program for four-year-old children at risk of school failure. This state-funded preschool program has been in existence since 1985 serving more than 325,000 children.

**LEGISLATION**

- *State Aid:* Section 32d, P.A. 351 of 2004, sets aside \$72,600,000 for 2004-2005 to be allocated to eligible school districts and public school academies by a formula defined in Section 38. Section 38 requires each district/public school academy complete a needs assessment, the Comprehensive Community Needs and Resources Assessment (CNRA) (Attachment B).
- *Competitive Grant Program:* The Michigan Department of Education Appropriations Act, P.A. 346 of 2004, provides \$12,250,000 in 2004-2005 for Michigan School Readiness Program grants to be awarded to private and public, nonprofit and other community agencies through a competitive grant award process. It is expected that legislation introduced for Department of Education appropriations for FY 2006 will continue funding at the same level (Attachment C).

**RATIONALE FOR CRITERIA**

The funds granted to operate the Michigan School Readiness Program (MSRP) enable

eligible recipients to establish or expand high-quality preschool programs designed to improve the readiness and subsequent achievement of children at risk of school failure. High-quality preschool programs address the Board's strategic initiatives of Ensuring Early Childhood Literacy and Integrating Communities and Schools. Formula and competitive grant programs must comply with the Michigan State Board of Education *Early Childhood Standards of Quality for Prekindergarten*, the *Michigan School Readiness Program Implementation Manual*, and any elements of authorizing legislation. The longitudinal evaluation of the Michigan School Readiness Program indicates that MSRP is effective in increasing achievement of at-risk children through fourth grade, as indicated by the Michigan Educational Assessment Program scores in both reading and mathematics. In addition, school failure as indicated by retention rates, is cut almost in half. High-quality preschool programs include:

- a plan for the recruitment and selection of eligible children;
- a plan for active and continuous involvement of parents or guardians of the children enrolled, such as participation in classroom activities, parent/teacher conferences, home visits, parent training activities, and the planning of curriculum;
- diverse activities to meet the intellectual, social, emotional, physical and cultural needs of young children;
- adult/child ratios that do not exceed 1:8;
- a learning environment arranged in centers providing equipment, furniture, materials and supplies for preschool age children;
- a comprehensive evaluation plan which covers implementation of all required program components;
- staff educated and trained in early childhood education; and
- assessment of children's progress reflecting social relationships, emotional development, physical coordination, as well as cognitive growth in accordance with the State Board of Education document entitled *Appropriate Assessment of Young Children*.

## **CRITERIA**

Defined in Legislation     Defined in Department's Grant     Proposed by Staff

Projects funded by the 2005-2006 Michigan School Readiness Program State Aid and Competitive Grants must:

- comply with all state and local licensing laws governing day care services for children (Public Act 116 of the Public Acts of 1973, as amended);\*
- provide sessions of a minimum of two and one half hours of teacher/child interaction or contact time per day for at least four days per week for a minimum of 30 consecutive weeks spread throughout the full project period of the school year. Programs in their first year of operation must operate for a minimum of 20 weeks. Home-based models must provide a minimum of 20 home visits to each family during the first year of operation and 30 home visits for each continuing year;\*\*
- limit class size to a maximum of 18 children with three adults or 16 children with two adults;\*\*

\*legislative requirement

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\*\*proposed by staff

- enroll children who are at least four years of age as of December 1 of the year in which the project is offered;\*
- identify and select children who have at least two of the 25 risk factors, which place children educationally at risk or in need of special assistance. More than 50 percent of the children enrolled must exhibit Factor #18, low income. Those children require only one additional risk factor;\*
- employ teachers possessing proper training, including, but not limited to, a valid teaching certificate and an early childhood (ZA) endorsement. In a program operating with State School Aid funds, a district/PSA that subcontracts with an eligible child development program, may employ a teacher with a valid teaching certificate who may have a Child Development Associate credential (CDA) instead of an early childhood (ZA) endorsement. If a district determines that it is unable to fully comply with the requirements noted above, after making reasonable efforts to comply, teachers who have proper training in early childhood development equivalent to four years of formal training in early childhood/preschool education or child development may be employed. This may include the recommended teacher qualifications for competitive programs which allow for one or more of the following:
  - A. a valid Michigan teaching certificate with an early childhood (ZA) endorsement or a child development associate credential (CDA);\*
  - B. a bachelor's degree in child care or child development; \*formula program and \*\*competitive program
  - C. a child development associate credential (CDA) combined with an associate's degree in early childhood/preschool education or child development; \*formula program \*\*competitive program
- employ paraprofessionals possessing proper training in early childhood development or who have completed at least one course in an appropriate training program, including, but not limited to, a Child Development Associate credential (CDA) or associate's degree in child development or other similar program, as approved by the department. \* (includes 120 clock hours of documented formal child care education offered by approved training organizations and approved by the Michigan Department of Education staff);
- implement measurable goals and objectives established by the program in the grant application;\*\*
- provide a minimum of four required family contacts, preferably two home visits, and two parent/teacher conferences;\*\* and
- establish and involve a school readiness advisory committee as outlined in authorizing legislation.\*

State school aid legislation also allows funds to be used for preschool and parenting education programs similar to those under former section 32b as in effect for 2001-2002.

Criteria related to this option include:

- provision of services to all families with children age five or younger residing within the district who choose to participate, including at least all of the following services:
  - A. home visits by parent educators trained in child development to help parents understand appropriate expectations for each stage of their child's development,

\*legislative requirement

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\*\*proposed by staff

to encourage learning opportunities, and to promote strong parent-child relationships;

B. group meetings of participating families;

C. periodic developmental screening of the child's overall development, health, hearing, and vision;

D. a community resource network that provides referrals to other state, local, and private agencies as appropriate to assist parents in preparing their children for academic success and to foster the maintenance of stable families; and

E. connection with quality preschool programs;\*

- initiating a collaborative community effort that includes at least the district, county or multi-county collaborative serving the area, local health and welfare agencies, and private nonprofit agencies involved in programs and services for preschool children and their parents;\* and
- collaboration with the intermediate school district plan for *Great Parents, Great Start*\*\*

### **ELIGIBLE APPLICANTS/TARGET POPULATION TO BE SERVED BY GRANT**

- *State Aid*: Eligible applicants are local school districts and public school academies. Two or more district/public school academies may join to form a consortium by designating a single fiscal agent. Applicants must have completed the Comprehensive Community Needs and Resources Assessment (CNRA). The CNRA estimates the number of preschool children in need of special assistance for whom the district or public school academy does not already receive additional funds by virtue of the children being physically, mentally or emotionally handicapped.
- *Competitive Grant Program*: An eligible applicant is an early childhood program operated by any public or private non-profit legal entity or agency other than a local or intermediate school district. A local or intermediate school district acting as fiscal agent for a Head Start program is eligible to apply for funds.

Children eligible to participate in formula and competitive grant school readiness programs for 2005-2006 must be at least four, but less than five years of age, as of December 1, 2005.

Children must meet two or more factors which place them at risk of school failure as defined in the report entitled "Children At Risk" adopted by the Michigan State Board of Education on April 5, 1988. A child may be eligible for services in the Michigan School Readiness Program with documentation of one risk factor and the informed clinical opinion of a multi-disciplinary team of professionals and parent(s)/primary caregiver(s) that the child has a factor placing him or her at risk of school failure not included in the "Children At Risk" report. This can only apply to 10 percent of the children enrolled.

\*legislative requirement

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\*\*proposed by staff

**TOTAL FUNDS AVAILABLE**

Pending legislation for 2005-2006 appropriations, the following amounts may be available to fund programs:

- *State Aid:* \$72,600,000 has been approved for programs to operate in the 2004-2005 school year with a per child allowance of \$3,300.
- *Competitive Grant Program:* Of the anticipated appropriation of \$12,250,000, \$9,725,000 will be used to fund eligible continuation grants that began operation during 2003-2004 and 2004-2005. The remaining \$2,524,900 of the allocation will be used to fund applications for (new) initial and expansion grants at \$3,300 per child.

**OFFICE ADMINISTERING GRANT/PROGRAM CONTACT**

Office of Early Childhood Education and Family Services

Director:	Dr. Lindy Buch	1-3592
Program Contacts:	Judy Levine, Connie Robinson	3-8483

**THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)**  
Act 94 of 1979

**388.1632d School readiness or preschool and parenting program grants; evaluation; contract; report; "employment status" defined.**

Sec. 32d. (1) From the state school aid fund money appropriated under section 11, there is allocated an amount not to exceed \$72,600,000.00 for 2004-2005 for school readiness or preschool and parenting program grants to enable eligible districts, as determined under section 37, to develop or expand, in conjunction with whatever federal funds may be available, including, but not limited to, federal funds under title I of the elementary and secondary education act of 1965, 20 USC 6301 to 6578, chapter 1 of title I of the Hawkins-Stafford elementary and secondary school improvement amendments of 1988, Public Law 100-297, and the head start act, 42 USC 9831 to 9852a, comprehensive compensatory programs designed to do 1 or both of the following:

(a) Improve the readiness and subsequent achievement of educationally disadvantaged children as defined by the department who will be at least 4, but less than 5 years of age, as of December 1 of the school year in which the programs are offered, and who show evidence of 2 or more risk factors as defined in the state board report entitled "children at risk" that was adopted by the state board on April 5, 1988.

(b) Provide preschool and parenting education programs similar to those under former section 32b as in effect for 2001-2002.

(2) A comprehensive compensatory program funded under this section may include an age-appropriate educational curriculum, nutritional services, health screening for participating children, a plan for parent and legal guardian involvement, and provision of referral services for families eligible for community social services.

(3) In addition to the allocation under subsection (1), from the general fund money allocated under section 11, there is allocated an amount not to exceed \$200,000.00 for 2004-2005 for a competitive grant to continue a longitudinal evaluation of children who have participated in the Michigan school readiness program.

(4) A district receiving a grant under this section may contract for the provision of the comprehensive compensatory program and retain for administrative services an amount equal to not more than 5% of the grant amount.

(5) A grant recipient receiving funds under this section shall report to the department no later than October 15 of each year the number of children participating in the program who meet the income or other eligibility criteria specified under section 37(3)(g) and the total number of children participating in the program. For children participating in the program who meet the income or other eligibility criteria specified under section 37(3)(g), grant recipients shall also report whether or not a parent is available to provide care based on employment status. For the purposes of this subsection, "employment status" shall be defined by the family independence agency in a manner consistent with maximizing the amount of spending that may be claimed for temporary assistance for needy families maintenance of effort purposes.

**History:** Add. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2001, Act 121, Imd. Eff. Sept. 28, 2001;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2002, Act 521, Imd. Eff. July 25, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003;—Am. 2004, Act 351, Eff. Oct. 1, 2004.

**Compiler's note:** In the first and last sentences of subsection (1), as amended by Act 121 of 2001, the phrases "and 2002-2003" and "and for 2002-2003" were vetoed by the governor September 28, 2001.

In subsection (2), as amended by Act 121 of 2001, the phrase "and 2002-2003" was vetoed by the governor September 28, 2001.

Enacting section 3 of Act 521 of 2002 provides:

"Enacting section 3. This amendatory act does not take effect unless the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 50 cents or more per pack of cigarettes (25 mills per cigarette) effective on or before September 30, 2002 and the revenue from not less than 20 cents per pack of cigarettes (10 mills per cigarette) of that increase is dedicated by law for deposit into the state school aid fund established by section 11 of article IX of the state constitution of 1963."

For legislation increasing tax on cigarettes and dedicating a portion of increased revenue to state school aid fund, see 2002 PA 503, Imd. Eff. July 18, 2002.

Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)  
Act 94 of 1979

**388.1637 Eligibility of district for allocation under § 388.1632d; preapplication; final application; consortium; submission of resolution showing certain risk factors.**

Sec. 37. (1) A district is eligible for an allocation under section 32d if the district meets all of the requirements in subsections (2), (3), and (4).

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

(a) The estimated total number of children in the community who meet the criteria of section 32d and how that calculation was made.

(b) The estimated number of children in the community who meet the criteria of section 32d and are being served by other early childhood development programs operating in the community, and how that calculation was made.

(c) The number of children the district will be able to serve who meet the criteria of section 32d including a verification of physical facility and staff resources capacity.

(d) The estimated number of children who meet the criteria of section 32d who will remain unserved after the district and community early childhood programs have met their funded enrollments. The school district shall maintain a waiting list of identified unserved eligible children who would be served when openings are available.

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

(a) The district complies with the state board approved standards of quality and curriculum guidelines for early childhood programs for 4-year-olds.

(b) The district provides for the active and continuous participation of parents or guardians of the children in the program, and describes the district's participation plan as part of the application.

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

(i) Teachers possessing proper training. Subject to subparagraph (ii), this includes, but is not limited to, a valid teaching certificate and an early childhood (ZA) endorsement. This provision does not apply to a district that subcontracts with an eligible child development program. In that situation a teacher must have a valid Michigan teaching certificate and may have a child development associate credential (CDA) instead of an early childhood (ZA) endorsement.

(ii) If a district determines that it is unable to fully comply with subparagraph (i) after making reasonable efforts to comply, teachers who have proper training in early childhood development equivalent to 4 years of formal training in early childhood/preschool education or child development. This may include 1 or more of the following:

(A) A valid Michigan teaching certificate with an early childhood (ZA) endorsement or a child development associate credential (CDA).

(B) A bachelor's degree in child care or child development.

(C) A child development associate credential (CDA) combined with an associate of arts (AA) degree in early childhood/preschool education or child development.

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

(d) The district has submitted for approval a program budget that includes only those costs not reimbursed or reimbursable by federal funding, that are clearly and directly attributable to the early childhood readiness program, and that would not be incurred if the program were not being offered. If children other than those determined to be educationally disadvantaged participate in the program, state reimbursement under section 32d shall be limited to the portion of approved costs attributable to educationally disadvantaged children.

(e) The district has established a school readiness advisory committee consisting of, at a minimum, classroom teachers for prekindergarten, kindergarten, and first grade; parents or guardians of program participants; representatives from appropriate community agencies and organizations; the district curriculum director or equivalent administrator; and, if feasible, a school psychologist, school social worker, or school counselor. In addition, there shall be on the committee at least 1 parent or guardian of a program participant

for every 18 children enrolled in the program, with a minimum of 2 parent or guardian representatives. The committee shall do all of the following:

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

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

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

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

(v) Review the mechanisms in place for the referral of families to community social service agencies, as appropriate.

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

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

(f) The district has submitted for departmental approval a plan to conduct and report annual school readiness program evaluations using criteria approved by the department. At a minimum, the evaluations shall include assessment of the gains in educational readiness and progress through first grade of children participating in the school readiness program.

(g) More than 50% of the children participating in the program meet the income eligibility criteria for free or reduced price lunch, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769h, or meet the income and all other eligibility criteria for the family independence agency unified child day care program.

(4) A consortium of 2 or more districts shall be eligible for an allocation under section 32d if the districts designate a single fiscal agent for the allocation. A district or intermediate district may administer a consortium described in this subsection. A consortium shall submit a single preapplication and application for the children to be served, regardless of the number of districts participating in the consortium.

(5) With the final application, an applicant district shall submit to the department a resolution adopted by its board certifying the number of 4-year-old children who show evidence of risk factors as described in section 32d who meet the income eligibility criteria for free or reduced price lunch or the income and all other eligibility criteria for the family independence agency unified child day care program, and who will participate in a school readiness program funded under section 32d.

**History:** Add. 1986, Act 212, Eff. Oct. 1, 1986;—Am. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2004, Act 351, Eff. Oct. 1, 2004.

**Compiler's note:** Enacting section 1 of Act 351 of 2004 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00."

**THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)**  
**Act 94 of 1979**

**388.1638 Number of prekindergarten children in need of special readiness assistance; calculation.**

Sec. 38. The maximum number of prekindergarten children construed to be in need of special readiness assistance under section 32d shall be calculated for each district in the following manner: one-half of the percentage of the district's pupils in grades 1-5 who are eligible for free lunch, as determined by the district's October count in the school year 2 years before the fiscal year for which the calculation is made under the Richard B. Russell national school lunch act, chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766a, 1769, 1769b to 1769c, and 1769f to 1769h, as reported to the department not later than December 31 of the fiscal year 2 years before the fiscal year for which the calculation is made, shall be multiplied by the average kindergarten enrollment of the district on the pupil membership count day of the 2 immediately preceding years.

**History:** Add. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1994, Act 283, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002;—Am. 2003, Act 158, Eff. Oct. 1, 2003.

**Compiler's note:** Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is \$2,334,299,200.00 and state appropriations to be paid to local units of government are \$2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

**THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)**  
**Act 94 of 1979**

**388.1639 Tentative allocation to eligible district under § 388.1632d; priority in funding; contingency; supplementary day care; district with 315 or more eligible pupils; additional eligible children.**

Sec. 39. (1) The tentative allocation for each fiscal year to each eligible district under section 32d shall be determined by multiplying the number of children determined in section 38 or the number of children the district indicates it will be able to serve under section 37(2)(c), whichever is less, by \$3,300.00 and shall be distributed among districts in decreasing order of concentration of eligible children as determined by section 38 until the money allocated in section 32d is distributed.

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

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

(4) A district that offers supplementary day care funded by funds other than those received under this section and therefore offers full-day programs as part of its early childhood development program shall receive priority in the allocation of funds under this section over other eligible districts other than those districts funded under subsection (3).

(5) For any district with 315 or more eligible pupils, the number of eligible pupils shall be 65% of the number calculated under section 38. However, none of these districts may have less than 315 pupils for purposes of calculating the tentative allocation under section 32d.

(6) If, taking into account the total amount to be allocated to the district as calculated under this section, a district determines that it is able to include additional eligible children in the school readiness program without additional funds under this section, the district may include additional eligible children but shall not receive additional funding under this section for those children.

**History:** Add. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1987, Act 220, Eff. Dec. 28, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1988, Act 509, Imd. Eff. Dec. 29, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1989, Act 235, Imd. Eff. Dec. 21, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 1992, Act 148, Eff. Oct. 1, 1992;—Am. 1993, Act 175, Eff. Oct. 1, 1993;—Am. 1993, Act 336, Eff. Oct. 1, 1994;—Am. 1995, Act 130, Eff. Oct. 1, 1995;—Am. 1996, Act 300, Eff. Oct. 1, 1996;—Am. 1997, Act 93, Eff. Oct. 1, 1997;—Am. 1997, Act 142, Imd. Eff. Nov. 19, 1997;—Am. 2000, Act 297, Imd. Eff. July 26, 2000;—Am. 2002, Act 191, Imd. Eff. Apr. 26, 2002.

**Compiler's note:** Section 2 of Act 220 of 1987 provides: "In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act is \$2,334,299,200.00 and state appropriations to be paid to local units of government are \$2,005,216,000.00."

Section 4 of Act 220 of 1987 provides: "The changes effected by this amendatory act shall be applied retroactively to October 1, 1987."

**THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)**  
**Act 94 of 1979**

**388.1640 Children in need of special readiness assistance; alternative methods of determining number; review; report.**

Sec. 40. The department biennially shall review alternative methods to determine the number of children construed to be in need of special readiness assistance and shall report not later than November 15 of each even-numbered year its findings and recommendations to the senate and house appropriations subcommittees responsible for district funding and the senate and house committees responsible for education legislation and the state budget director.

**History:** Add. 1987, Act 128, Eff. Oct. 1, 1987;—Am. 1988, Act 318, Eff. Oct. 1, 1988;—Am. 1989, Act 197, Eff. Oct. 1, 1989;—Am. 1990, Act 207, Eff. Oct. 1, 1990;—Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991;—Am. 2000, Act 297, Imd. Eff. July 26, 2000.

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less federal reimbursement, participant payments, and other state reimbursement. Determination of efficient cost by the department shall be determined by using a statistical sampling of statewide and regional cost as reported in a manner approved by the department for the preceding school year.

(d) The payment determined under subdivision (c) is prorated if the appropriation in part 1 is not sufficient to fund all payments determined under this section.

Sec. 703. (1) The funds appropriated in part 1 for school readiness programs shall be made available through a competitive application process as follows:

(a) An applicant may be any public or private nonprofit legal entity or agency other than a local or intermediate school district except a local or intermediate school district acting as a fiscal agent for a child caring organization regulated under 1973 PA 116, MCL 722.111 to 722.128.

(b) Applications shall be submitted in a form and manner as required by the department.

(c) Applications shall be reviewed by a diverse interagency committee composed of representatives of the department, appropriate community, volunteer, and social service agencies and organizations, and parents.

(d) Priority in the recommendation for awarding of grants by the superintendent of public instruction to applicants shall be based upon the following criteria:

(i) Compliance with standards for early childhood development consistent with programs for 4-year-olds, as approved by the state board of education.

(ii) Active and continuous involvement of the parents or guardians of the children participating in the program.

(iii) Employment of teachers possessing proper training in early childhood development, including an early childhood (ZA) endorsement or child development associate, and trained support staff.

(iv) Evidence of collaboration with the community of providers in early childhood development programs including documentation of the total number of children in the community who would meet the criteria established in subparagraph (vi), and who are being served by other providers, and the number of children who will remain unserved by other community early childhood programs if this program is funded.

(v) The extent to which these funds will supplement other federal, state, local, or private funds.

(vi) The extent to which these funds will be targeted to children who will be at least 4, but less than 5, years of age as of December 1 of the year in which the programs are offered and who show evidence of 2 or more "at-risk" factors as defined in the state board of education report entitled, "children at risk" that was adopted by the state board on April 5, 1988.

(e) Whether the application contains a comprehensive evaluation plan that includes implementation of all program components required and an assessment of the gains of children participating in an early childhood development program.

(f) Applications shall provide for the establishment of a school readiness advisory committee that shall be involved in the planning and evaluation of the program and provides for the involvement of parents and appropriate community, volunteer, and social service agencies and organizations. There shall be on the committee at least 1 parent or guardian of a program participant for every 18 children enrolled in the program, with a minimum of 2 parent or guardian representatives. The committee shall do all of the following:

(i) Review the mechanisms and criteria used to determine referrals for participation in the school readiness program.

(ii) Review the health screening program for all participants.

(iii) Review the nutritional services provided to all participants.

(iv) Review the mechanisms in place for the referral of families to community social service agencies, as appropriate.

(v) Review the collaboration with and the involvement of appropriate community, volunteer, and social service agencies and organizations in addressing all aspects of education disadvantage.

(vi) Review, evaluate, and make recommendations for changes in the school readiness program.

(g) More than 50% of the children participating in the program shall meet the income eligibility criteria for free or reduced price lunch, as determined under the national school lunch act, chapter 281, 60 Stat. 230, 42 USC 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766b, and 1769 to 1769h, or meet income and all other eligibility criteria for participation in the Michigan family independence agency unified child day care program.

(2) Grant awards by the superintendent of public instruction may be at whatever level the superintendent determines appropriate. A grant, when combined with other sources of state revenue for this program, shall not exceed \$3,300.00 per child or the cost of the program, whichever is less.

(3) Except as otherwise provided, an applicant that receives a 2004-2005 grant under this section shall also receive priority for fiscal years 2005-2006 and 2006-2007 funding. However, after 3 fiscal years of continuous funding, an applicant will be required to compete openly with new programs and other programs completing their third year. All grant awards are contingent on the availability of funds and documented evidence of grantee compliance with standards for early childhood development consistent with programs for 4-year-olds, as approved by the state board of education,

and with all operational, fiscal, administrative, and other program requirements. A program which offers supplementary day care and thereby offers full-day programs as part of its early childhood development program shall receive priority in the allocation of competitive funds.

Sec. 704. From the funds appropriated in part 1 for national board certification, the department shall pay 1/2 of the application fee for teachers who are considered by the department to be qualified to apply to the national board for professional teaching standards for professional teaching certificates or licenses and to provide grants to recognize and reward teachers who receive certification or licensure.

**INFORMATION TECHNOLOGY**

Sec. 801. The department shall work in collaboration with the center for educational performance and information to support the comprehensive educational information system and all data collection efforts of the department.

Sec. 802. The department and the Michigan virtual university shall work collaboratively to implement section 98 of the state school aid act of 1979, 1979 PA 94, MCL 388.1698, in accordance with all applicable federal laws and regulations.

**EDUCATIONAL ASSESSMENT**

Sec. 901. (1) From the funds appropriated in part 1 for the educational assessment operations, the department shall provide tests to nonpublic schools and home-schooled students upon request. The department shall notify nonpublic schools that they are eligible to receive the tests.

(2) The department shall release test results at the same time to all private schools and public school districts taking the tests.

(3) The results of each test administered as part of the Michigan educational assessment program, including tests administered to high school students, shall include an item analysis that lists all items that are counted for individual student scores and the percentage of students choosing each possible response.

This act is ordered to take immediate effect.

*Carol Morey Viventi*

Secretary of the Senate

*Jay E. Randall*

Clerk of the House of Representatives

Approved \_\_\_\_\_

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Governor