



JOHN ENGLER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



THOMAS D. WATKINS, JR.
SUPERINTENDENT OF
PUBLIC INSTRUCTION

November 26, 2002

TO: State Board of Education

FROM: Thomas D. Watkins, Jr., Chairman

SUBJECT: Approval of Criteria for the 2003-2004 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 272,878 children have been served.

The All Students Achieve Program, Section 32a of Public Act 521 of 2002, the State School Aid Act, sets forth ways to ensure improved school readiness. Section 32d has set aside \$72,600,000 for 2003-2004 to be allocated to eligible school districts and public school academies by a **formula** defined in Section 38. The Michigan Department of Education Appropriation Act, Public Act 522 of 2002, provided an additional \$12,250,000 for Michigan School Readiness Program grants in 2002-2003 to be awarded to public and private, nonprofit and other community agencies through a **competitive** grant award process. It is expected that department appropriation legislation introduced for 2003-2004 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 2003-2004 Michigan School Readiness Program Grants for Four-Year-Old Children At Risk of School Failure as described in the Superintendent's memorandum dated November 26, 2002.

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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, with primary emphasis on chronically underperforming schools." In addition, the State Board has adopted the following five Strategic Initiatives to implement the goal:

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

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 272,878 children.

LEGISLATION

- *State Aid:* Section 32d, All Students Achieve Program, P.A. 521 of 2002, sets aside \$72,600,000 for 2003-2004 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 Appropriation Act, P.A. 522 of 2002, provided \$12,250,000 in 2002-2003 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 2004 will continue appropriations at the same level. (Attachment C)

RATIONALE FOR CRITERIA

The funds granted to operate the Michigan School Readiness Program (MSRP) will 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 *Standards of Quality and Curriculum Guidelines for Preschool Programs for Four-Year-Olds* and the *Michigan School Readiness Program Implementation Manual*. 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 2003-2004 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;**
- 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 24 risk factors which place

children educationally at risk or in need of special assistance. Fifty 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 district that subcontracts with an eligible child development program, a teacher must have a valid teaching certificate and may have a Child Development Associate credential (CDA) instead of an early childhood (ZA) endorsement;*
- competitive programs may include teachers with the above experience or a Bachelor's Degree in child development, or a Child Development Associate credential (CDA) combined with an associate's degree in early childhood/preschool education or child development;**
- 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 degree in child development or other similar program, as approved by the department.* (This 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;** and
- provide a minimum of four required family contacts, preferably two home visits and two parent/teacher conferences.**

*legislative requirement

**proposed by staff

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:* Eligible applicants 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 program is eligible to apply for funds.

Children eligible to participate in formula and competitive grant school readiness programs for 2003-2004 must be at least four, but less than five years of age, as of December 1, 2003. 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.

TOTAL FUNDS AVAILABLE

Pending legislation for 2003-2004 appropriations, the following amounts may be available to fund programs:

- *State Aid:* \$72,600,000 has been approved for programs to operate in the 2003-2004 school year with a per child allowance of \$3,300.
- *Competitive Grant Program:* Of the anticipated appropriation of \$12,250,000, \$4,177,800 will be used to fund eligible continuation grants that began operation during 2001-2002 and 2002-2003. The remaining \$8,072,200 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 School Excellence

Director:	Sue C. Carnell	1-3592
Program Contacts:	Judy Levine, Connie Robinson	3-8483

Sec. 32d. (1) From the state school aid fund allocation under section 32a(1), there is allocated an amount not to exceed \$72,600,000.00 for 2001-2002, and from the state school aid fund money allocated under section 32a, there is allocated an amount not to exceed \$72,600,000.00 each fiscal year for 2002-2003 and for 2003-2004, for school readiness 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, Public Law 89-10, 108 Stat. 3519, chapter 1 of title I of the Hawkins-Stafford elementary and secondary school improvement amendments of 1988, Public Law 89-10, 102 Stat. 140, and the head start act, subchapter B of chapter 8 of subtitle A of title VI of the omnibus budget reconciliation act of 1981, Public Law 97-35, comprehensive compensatory programs designed to 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. A comprehensive compensatory program funded under this section shall 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. In addition, from the general fund allocations under section 32a(1), there is allocated an amount not to exceed \$200,000.00 for 2001-2002 for the purposes of subsection (2), and from the general fund money allocated under section 32a, there is allocated an amount not to exceed \$200,000.00 each fiscal year for 2002-2003 and for 2003-2004 for the purposes of subsection (2).

(2) From the general fund allocation in subsection (1), there is allocated each fiscal year for 2001-2002, for 2002-2003, and for 2003-2004 an amount not to exceed \$200,000.00 for a competitive grant to continue a longitudinal evaluation of children who have participated in the Michigan school readiness program.

(3) 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.

(4) 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.

Sec. 32f. (1) From the state school aid fund allocation under section 32a(1), there is allocated for 2001-2002 an amount not to exceed \$45,000,000.00 and for 2002-2003 and 2003-2004 \$0.00, for grants under this section. From the general fund allocation under section 32a(1), there is allocated each fiscal year for 2001-2002, 2002-2003, and 2003-2004 \$0.00 for the purposes of subsection (3).

(2) From the allocation in subsection (1), there is allocated for 2001-2002 an amount not to exceed \$2,000,000.00 and for 2002-2003 and 2003-2004 \$0.00, for providing grants to the 8 regional literacy centers for the purposes of expanding training programs for trainers and teachers in the use of strategies for reading instruction and assessment, including the Michigan literacy progress profile.

(3) From the general fund allocation in subsection (1), there is allocated to the department \$0.00 each fiscal year for 2001-2002, 2002-2003, and 2003-2004 for the development and dissemination of read, educate, and develop youth (READY) kits to parents of preschool and kindergarten children to provide these parents with information about how they can prepare their children for reading success.

(4) From the general fund allocation in subsection (1), there is allocated to the department each fiscal year for 2001-2002, 2002-2003, and 2003-2004 \$0.00 for the grant review process and grant administration under this section.

(5) Except as otherwise provided in subsection (17), to be eligible for a grant under this section, a district must have had at least 1,500 pupils in membership in 1998-99, and the number of pupils in the district that have been determined to have a specific learning disability according to R 340.1713 of the Michigan administrative code, as determined in the December 1, 1998 head count required under the individuals with disabilities education act, title VI of Public Law 91-230, must equal or exceed 5% of the district's membership. In addition, a district is eligible for a grant under this section if the district had at least 1,500 pupils in membership in 1998-99 and if not more than 41% of the district's pupils who took the spring 1999 fourth grade MEAP reading test achieved a score of at least satisfactory. Except as otherwise provided in subsection (17), for a public school academy to be eligible for a grant under this section, the public school academy must be located in a district that is eligible under this subsection.

(6) From the allocation in subsection (1), there is allocated for 2001-2002 an amount not to exceed \$43,000,000.00 and for 2002-2003 and 2003-2004 \$0.00, for competitive grants to eligible districts, to intermediate districts, and to public school academies located within eligible districts for reading improvements programs for pupils in grades K to 4, reading disorders and reading methods programs, mentoring programs, language and literacy outreach programs, or cognitive development programs. For 2001-2002, grants under this subsection shall be paid to grant recipients in the

For Fiscal Year
Ending Sept. 30,
2003

Sec. 115. GRANTS AND DISTRIBUTIONS**FEDERAL PROGRAMS:**

Class size reduction grants	\$	50,275,700
Eisenhower mathematics and science grants		12,940,000
Goals 2000 grants		6,000,000
Technology literacy challenge grants		6,000,000
Urgent school renovation		45,688,400

STATE PROGRAMS:

Christa McAuliffe grants	\$	94,800
Driver education		7,600,000
Motorcycle safety education		1,200,000
National board certification		100,000
Off-road vehicle safety training grant		294,300
School breakfast programs		6,274,900
School readiness grants		11,050,000
GROSS APPROPRIATION	\$	147,518,100

Appropriated from:

Federal revenues:

DED-OESE, class size reduction		50,275,700
DED-OESE, goals 2000		6,000,000
DED-OESE, Eisenhower mathematics and science administration		12,940,000
DED-OESE, technology literacy challenge fund		6,000,000
DED-OESE, urgent school renovation		45,688,400

Special revenue funds:

Certification fees		100,000
Driver fees		7,600,000
Motorcycle license fees		1,200,000
Safety education fund		294,300
Private foundations		94,800
State general fund/general purpose	\$	17,324,900

Sec. 116. EARLY RETIREMENT AND BUDGETARY SAVINGS

Early retirement savings	\$	(721,900)
Budgetary savings		(301,200)
GROSS APPROPRIATION	\$	(1,023,100)
Appropriated from:		
State general fund/general purpose	\$	(1,023,100)

PART 2**PROVISIONS CONCERNING APPROPRIATIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2002-2003 is \$42,215,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is \$16,436,800.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

GRANTS AND DISTRIBUTIONS**STATE PROGRAMS:**

Driver education	\$	7,600,000
School readiness grants		1,626,900
Motorcycle safety education		890,000
Off-road vehicle safety training grant		45,000
School lunch and breakfast		6,274,900
TOTAL	\$	16,436,800

fiscal agencies a monthly report on all personal service contracts awarded without competitive bidding, pricing, or rate-setting. The notification shall include all of the following:

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

(2) For personal service contracts of \$100,000.00 or more, the department of management and budget shall provide a monthly report including all of the following:

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

(3) The department of management and budget shall provide a monthly listing of all bid requests or requests for proposal that were issued.

(4) Each principal executive department and agency shall provide a monthly summary listing of information that identifies any authorization for personal service contracts that are provided to the department of civil service pursuant to delegated authority granted to each principal executive department and agency related to personal service contracts.

Sec. 221. From the funds appropriated in part 1, the department may establish a position of school health services consultant, to be filled by a certified school nurse or an individual with comparable education and experience.

Sec. 222. (1) The negative appropriation for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2002 PA 93 amendments to the state employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69. Any position funded with 100% of federal or restricted funds is exempt from the early retirement replacement policy.

(2) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed under section 205, efficiencies, and other savings identified by the department director and approved by the state budget director.

(3) Appropriation authorization adjustments required due to negative appropriations for early retirement savings and budgetary savings shall be made only after the approval of transfers by the legislature under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 223. (1) Subject to subsection (2), in addition to the amounts appropriated under part 1, \$1,200,000.00 is appropriated to school readiness grants from the state general fund.

(2) The appropriation in subsection (1) shall become effective only if the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 30 cents or more per pack of cigarettes on or before September 30, 2002.

STATE BOARD/OFFICE OF THE SUPERINTENDENT

Sec. 301. (1) The appropriations in part 1 may be used for per diem payments to members of boards, committees, and commissions for each day's board, committee, or commission work at which a quorum is present; for attending a hearing as authorized by the respective board, committee, or commission; or for performing official business as authorized by the respective board, committee, or commission. The per diem payments shall be at a rate as follows:

- (a) State board of education - president..... \$ 110.00 per day
- (b) State board of education - member other than president \$ 100.00 per day
- (c) State tenure commission - member..... \$ 50.00 per day

(2) A state board of education member shall not be paid a per diem for more than 30 days per year.

(3) The administrative secretary of the state board of education shall report to the public, the senate and house fiscal agencies, and the state budget director the previous quarter's expenses by fund source for members of the state board of education related to the performance of their responsibilities.

Sec. 302. From the amount appropriated in part 1 to the state board of education, not more than \$35,000.00 shall be expended for travel.