

## FUNDING 2011-2012

Fiscal agents are paid via eleven State Aid Payments for each fiscal year, beginning in October. Information pertaining to State Aid Payments may be found under Section 32d “Great Start Readiness Program” in the State Aid Financial Status Report sent monthly to each Intermediate School District (ISD). Local agreement details the process and timeline of how funding is flowed to grantees.

### ELIGIBLE APPLICANTS

GSRP is described in Sections 32d, 32l, and 39 of the current State School Aid Act. For 2011-2012, GSRP formula grants are allocated by MDE to ISDs on behalf of school districts and public school academies (PSA). Competitive grants are awarded by MDE to ISDs on behalf of approved child care organizations.

- **Formula (school district/public school academy):** Eligible applicants for formula grants are school districts or PSAs which have been identified as having concentrations of eligible prekindergarten children in need of special readiness assistance. Each grantee must become a member of the agreed-upon consortium option. Each consortium member receives funds and/or services from the designated fiscal agent.
- **Competitive (agency):** Eligible applicants for competitive grants are public or private, non-profit or for-profit agencies other than a local or ISD, except a local or ISD acting as a fiscal agent for a Head Start program. The community served by the agency is identified as having concentrations of eligible prekindergarten children in need of special readiness assistance.

Beginning in fiscal year 2011-2012, ISDs will be the only fiscal agents for GSRP grantees. A fiscal agent is the entity that assumes responsibility for applying and reporting in the Michigan Electronic Grants System (MEGS). An entity that applies for and receives grant funds from the Michigan Department of Education (MDE) is the fiscal agent. The fiscal agent is awarded grant funding and through agreement will expend funds on behalf of, and in coordination with, a group of other consortium members or competitive (subcontractor) grantees.

Only a Fiscal Agent can initiate or submit the MEGS application. The Fiscal Agent's Authorized Official can choose to be the only person who performs high-level administrative activities within a grant application, such as adding consortium/grant members and giving others access to the application.

### HOW TO APPLY

GSRP applications are completed electronically. Additional information can be found at [www.michigan.gov/gsrp](http://www.michigan.gov/gsrp).

**Formula:** A school district or PSA intending to implement a GSRP submits a pre-application which is referred to as the Comprehensive Community Needs and Resources Assessment (CNRA). After the State School Aid Act is signed by the Governor, the MDE calculates individual school district and PSA funding levels and notifies the fiscal agents, school districts and PSAs of the level of funding and final application due date. Priority is given to programs providing supplementary child care.

Formula grantees that receive GSRP allocations must join a consortium. They will receive services or funds and services from the Fiscal Agent as a Consortium Member. The fiscal agent must lead discussion with all consortium members on acceptance for the grant. Choose one of two options:

- 1. Funds and Services.** Consortia choosing to serve children based on the allocation to each school district/PSA will complete school-level budgets in the application. This consortium option generates a Project Fact Sheet and Budget for each consortium member. All grantees must accept consortium membership via "will receive funds and services".
- 2. Services Only.** Consortia choosing to serve children based on the allocation to the entire consortium will complete one budget in the application. This will allow children residing in any district in the consortium to be enrolled and served by the consortium at any location. This consortium option generates one Project Fact Sheet, and one Budget in the application. All grantees must accept consortium membership via "will receive services only".

An Authorized Official for a grantee invited to be a Consortium Member for an application is automatically assigned an Application Security Level of Consortium Member. As a Consortium Member, the Authorized Official accepts the invitation to become a Consortium Member, can designate a contact person for the district/PSA, and view the application. If consortium membership is rejected, funding for that grantee is returned to the state for redistribution.

**Competitive:** The competition for Competitive funding occurs each spring. Applications are reviewed and scored by a diverse interagency committee using a scoring rubric. Grants are awarded based on the rank order of the scores until funding has been exhausted. After the State School Aid Act is signed by the Governor, the MDE awards funding and notifies the fiscal agents and grantees of the level of funding and final application due date. Competitive grantees are subcontractors of the fiscal agent.

## WRITTEN AGREEMENTS

A written contract is required between GSRP grantees and the fiscal agent. A written agreement can include but is not limited to:

- The consortium option that each funded formula grantee within an ISD or a consortium of ISDs will implement.
- The process and timetable for the flow of funding from the ISD to each grantee. The ISDs do not retain carryover for real or deferred funds;
- Discussion of the administrative cap for fiscal agent, grantee and possible subcontractor(s);
- A timeline for required GSRP reports and the name of the person responsible for completion of each report;
- How the fiscal agent, grantee and any program subcontractors will partner to ensure high-quality implementation of the GSRP (e.g., monitoring, auditing, orientation, mentoring, and professional development of staff);
- Discussion of the developmental screening tool(s), curriculum(s), child assessment tool(s), and how staff will receive training on the full implementation of the tools; and
- Methods for partnership in conducting annual program evaluation using the Preschool Program Quality Assessment (PQA) tool, with expectations that each program works toward a high-quality score on the PQA of 4.5 or higher.

## ASSURANCES

Fiscal agents and grantees agree to comply with all applicable requirements of State statutes, Federal laws, executive orders, regulations, policies, and award conditions governing GSRP. Fiscal agents and grantees understand and agree that if they materially fail to comply with the terms and conditions of the grant award, the MDE may withhold funds otherwise due from this grant program, any other federal grant programs, or the State School Aid Act of 1979 as amended, until the fiscal agent/grantee comes into compliance, or the matter has been adjudicated, and the amount disallowed has been recaptured (forfeited). MDE may withhold up to 100 percent of any payment based on a monitoring finding, audit finding, or pending final report. All current grant assurances can be viewed in the GSRP final application in the MEGS.

## FORMULA FUNDING

Legislative formula for determining first-round formula count:

The grade 1 to 5 free lunch count from the prior year, divided by the sum of the enrollment of grades 1 to 5 from prior year determines the "Grade 1-5 Poverty Percentage." The result of this calculation is multiplied by the average kindergarten count for the school district or public school academy (PSA) in the last two years then multiplied by 50 percent.

If the result of the above calculation is 316 or higher, AND 65 percent of the above result is less than 316, then a count of 315 is used as the first-round formula count; otherwise 65 percent of the above result is used as the first-round formula count.

### Poverty Ranking

A Grade 1 to 5 poverty percentage is determined for each school district and public school academy as described above. School districts and PSAs are then ranked from highest to lowest Grade 1-5 poverty percentage. Funds are then distributed in each round to districts and PSAs in this order. Each round of funding continues until the balance of the grant award is disbursed.

### First-Round Funding

First-round funding is calculated by multiplying the first-round formula count by the per-child amount. The maximum allocation for first-year grantees is 36 multiplied by the per-child amount.

### Second-Round Funding

If funds have not been fully distributed after each grantee has received first round formula funding, disbursement continues in descending order according to the poverty ranking. The second-round allocation provides grantees the number of children each eligible district served in the immediately preceding fiscal year or the grantee requested number (as submitted on the current-year Comprehensive Community Needs and Resources Assessment), whichever is less, until all funding is disbursed.

### Third-Round Funding

If funds are still available after second-round funding is completed, third-round funding is calculated by subtracting the number of slots funded in rounds one and two from the number of slots requested to arrive at a number of slots still needed. The number of slots

still needed is then multiplied by the amount per-child. Grantees that do not address supplemental child care do not receive third-round funding, regardless of the documented free lunch percentage.

### GSRP Funding Example

First-round funding example based on \$3,400 per-child for a GSRP grantee who had served 28 children in the previous year and requests 36 for the current year:

	School District/PSA Data	Calculation
Grade 1 to 5 free lunch count from prior year;	86	
divided by the sum of the enrollment of grades 1 to 5 from prior year;	Grade 1 = 35 Grade 2 = 41.34 Grade 3 = 41.84 Grade 4 = 41.29 Grade 5 = 30.81 Sum = 190.28	$86 \div 190.28 = .4520$
determines the grade 1 to 5 poverty percentage;	45%	This Grade 1 to 5 poverty percentage is then used to determine a poverty ranking in descending order.
that calculation is multiplied by the average kindergarten count for the school district/PSA in the last two years; and	07/08 = 32 08/09 = 25 Average = 28.5	$.4520 \times 28.5 = 12.882$
multiplied by 50%.	$12.882 \times .5 = \underline{6.441}$	Total first-round formula count for this example is 6.
Slots are multiplied by the per-child amount.	$6 \times 3,400 = 20,400$	First-round funding for this example is \$20,400.00

Second-round funding for this example is dependent upon:

- The availability of funds.
- The number of slots filled in the immediately preceding fiscal year (28) and the requested number of slots as submitted on the current year CNRA. Hold-harmless legislation would restrict this grantee to 28 of the 36 requested slots.

Third-round funding for this example is dependent upon:

- The availability of funds.
- Whether or not the grantee offers supplemental child care.
- New grantees are limited in first-year allocations/awards.

### Enhanced Funding Options

When the entire grant award has been disbursed, formula grantees remain on the calculation worksheet in descending order. As funds are returned from grantees in the form of unfilled slots, these funds are redistributed in the form of "Enhanced Allocation Offers",

beginning with the grantee where the funding ran out. This process continues until the end of the calendar year as slots are returned to the Michigan Department of Education. New grantees are limited in first year allocations/awards. Grantees that do not address supplemental and comprehensive child care do not receive enhanced funding, regardless of the documented free lunch percentage.

## Enhanced Funding Implications

GSRP enhanced funding is tied to service of additional, previously unfunded children, or supplemental Parent Involvement in Education (PIE) programming, where this option is already being implemented. Please note that:

- PIE remains capped at the amount spent on this option in the previous fiscal year.
- Grantees which accept enhanced funding and fill enhanced slots elevate the district's "hold harmless" base amount for the subsequent year.
- When slots are filled, carryover is allowed through June 30 of the succeeding fiscal year.
- Enhanced funding is provided at the same per-child amount as in the original award.

## Implementation

GSRP Enhanced Funding Program Options include:

1. Enroll additional children by the February MSDS snapshot date. Grantees should begin by documenting the maximum number of slots filled in the current program year. Count slots that have been vacated and then filled from the waiting list as discrete slots filled.
2. Reimbursement - If grantees have provided preschool programming to additional, eligible children in a classroom which meets GSRP requirements and the grantee has documentation that those children are eligible for the GSRP, the enhanced award may be used to compensate the grantee for provision of those services. Any tuition which parents have incurred for preschool services is to be refunded.
3. Subcontract - Grantees may subcontract with an approved child development program. The grantee is responsible for high-quality implementation and all GSRP requirements, e.g., class size, staff qualifications, etc., as outlined in the Great Start Readiness Program Implementation Manual at: [www.michigan.gov/gsrp](http://www.michigan.gov/gsrp). This option may work well for grantees that do not have access to facilities or staff.
4. Enhance the PIE option - The total PIE amount may not exceed the PIE amount spent by a School District/PSA in the previous fiscal year.