

2010-2011 Great Start Readiness Program Section 39 Formula Funding Procedure

A school district or public school academy (PSA) intending to implement a Great Start Readiness Program (GSRP) first submits a pre-application which is referred to as the Comprehensive Community Needs and Resources Assessment (CNRA). The CNRA is completed in the Michigan Electronic Grants System (MEGS) and is usually due mid-winter. After the State School Aid Act is signed by the Governor, the Michigan Department of Education (MDE) calculates individual school district and PSA funding levels and notifies the school districts and PSAs of the level of funding and final application due date. Priority in the allocation of funds to new school districts and PSAs and districts and PSAs in the first year of the three-year funding cycle is given to programs providing supplementary child care.

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 32 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 to 32 slots.

GSRP applications are completed electronically. Additional information can be found at www.michigan.gov/gsrp.