



# Great Start Readiness Program

## Funding Process/Formula Redesign

September 2016

## Today's presentation

1. Need for GSRP Formula Redesign
2. Stakeholder-based Process
3. Recommendations
4. Next Steps

## Need for Redesign

- Community Needs Assessment/Application population data locally determined and process varied statewide
- Current formula is complex
- Current formula can result in annual structural shortfalls in funding for ISDs lower on the poverty ranking
- Current formula can result in annual variance in ISDs poverty rankings
- Historical changes not well adjusted for within current formula (allowance for school-day using two slots of funding)
- Inequity of funding distribution became reality after expansion

## Current Formula

- Grades 1 to 5 free lunch count from the prior year **DIVIDED BY** sum of the enrollment of grades 1 to 5 from prior year = Grades 1 to 5 Poverty Percentage **MULTIPLIED BY** average kindergarten count for the ISD in last two years **MULTIPLIED BY** .5 percent = First Round Count **MULTIPLIED BY** GSRP part-day slot amount (\$3,625) = First Round Funding

### If funding remains after 1<sup>st</sup> Round

- Provides ISDs funding for the # of children served (equated to slots) in the immediate preceding FY or the ISD requested # (per CNA), whichever is less, the **MULTIPLIED BY** the part-day slot amount (\$3,625) = Second Round Funding.
  - This round essentially restricts ISDs to slots filled in previous year (as reported in MSDS) or the ISD requested # (per CNA).
- Calculated by **SUBTRACTING** the # of slots funded in Rounds 1 & 2 based on # of slots requested (per CNA) and remaining # = remaining need **MULTIPLIED BY** GSRP part-day slot amount (\$3,625) = Third Round Funding
  - Only comes into play for ISDs that have more eligible children than slots filled in the prior FY.

## Process for Redesign

- Established a stakeholder workgroup to advise MDE
- Held seven workgroup sessions from December 2015-July 2016
- Identify priority parameters for the work
- Discussed contributing challenges
- Identified top issues to work on regarding formula
- Researched and developed alternative proposals for workgroup feedback
- Workgroup came to agreement on use of a single data source for population numbers and a revised formula structure.

## Stakeholder-Based Workgroup

### Stakeholder Members

- Worked with Michigan Association of Intermediate School Administrators (MAISA) to identify:
  - 11 ISD Representatives
  - MAISA Representative
- MI Head Start Association requested Board President
  - Northeast Michigan Community Service Agency (NEMCSA)

### Supports

- Michigan Department of Technology, Management and Budget
  - State of Michigan Demographer
- Michigan Department of Education
  - Office of Great Start
  - Office of Preschool and Out-of-School Time Learning
  - Office of Head Start State Collaboration



## Workgroup Observers

Staff representation from:

- State Budget Office
- Senate Fiscal Agency
- House Fiscal Agency
- Senate Policy
- Senate Appropriations; Subcommittee on K-12, School Aid, and Education
- House Appropriations; Subcommittees on Education and School Aid



Workgroup facilitated by Clinton County RESA  
Office of Innovative Projects



## Workgroup Process

- 7 meetings from December 2015 through July 2016
  - 6 meetings at MDE State Board of Education room
  - 1 meeting via teleconference
- High attendance, engaged participants

## Workgroup established goals

To develop a recommended formula that:

1. Ensures **equitable distribution**/levels playing field
2. Uses **reliable data**
3. Is **responsive**, not reactionary
4. Is **transparent** and easy to understand
5. Ensures **stability**

## Recommendation(s)

- Use of single data source for population counts-ACS data as part of U.S. Census-within Community Needs Assessment and Application
- Replace complex ISD poverty percentage formula with a ISD poverty percentage of children served figure linked back to the ACS data per above
- Change to funding children served in a school-day program option as the new norm vs. funding based on part-day slots; then prorate for the part-day option (similar to kindergarten)

## Proposed poverty percentage

For each ISD, establish:

- number of GSRP eligible children, using ACS data
- percentage of children served in immediate preceding fiscal/program year
  - accounts for number of 4-year-olds served exclusively by Head Start to ensure non-duplication

This produces range of percentage of children served (39% - 100%)

## Proposed funding process/formula

- Allows MDE to establish a target percentage for children served to determine ISDs that are above/below
- Holds all ISDs harmless to the children served funding equivalent of the immediate preceding fiscal/program year
- Divides up any remaining funds proportionately to the ISDs that fall below the statewide target, according to each ISD's share of total children unserved to meet the statewide target
- For any unused funding in any given year, allows MDE to provide the funding to ISDs that served more children than their allocation paid for, and distributes funding based on their share of total children overserved

## Next Steps

Presentations to external stakeholders:

- MAISA Joint Subcommittee on Early Childhood/Instruction
- MAISA Early Childhood Administrators Network
- Michigan School Business Officials
- Senate Appropriations Subcommittee on K-12, School Aid, and Education (scheduled for October 19, 2016)

Finalize proposed School Aid boilerplate to reflect changes

## Questions?

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