What is the Great Start Readiness Program?

- Provides high-quality preschool for eligible four-year olds
- Began as pilot in 1985-86 with $1,000,000
- 2018-19 served 37,140 children with $232,600,000 for serving children and $10,000,000 for transportation to and from the program, $2,000,000 for curriculum purchase and professional learning
- 2019-20 received $5,000,000 increase in funding for children.
- Funded in State School Aid Act
- Grants awarded to ISDs or consortium of ISDs
- 70% of programs provided by LEAs/PSAs, 30% by community-based organizations
- School-day (89%) and Part-day (11%) options
- School-day includes GSRP/Head Start Blend

The Allocation Process

Before the State School Aid Act is Passed

- Update Hold Harmless numbers
- Pull in the correct American Community Survey (ACS) numbers
- Use percentages of served after final enhancements of prior year
- Pull in any "potential changes" from proposed versions of legislation
- Run hold harmless allocations
- Analyze the effect on the program

After the State School Aid Act is Signed

- Using the updated data from the prior year and the allocation amount/amount per child finalized in the budget, run the allocations
- Whole team review, send to deputy
- Prepare "Pink Packet", route for approvals, ending with the signature of the State Superintendent
- Email ISD superintendents, post list, release Acceptance of Funds application
- Recapture any funds not accepted
Next Steps
Funds for Enhancement
• Funds returned from the Acceptance of Funds

Transportation Funding - $10,000,000
• Request transportation budgets from ISDs due October 28th
• Calculate amount due to each (approximately $300 per child)
• Award funding requested to those below
• Put unused amount back into pot and recalculate the amount per child
• Award funding requested to those below
• Put unused amount back into pot and recalculate the amount per child
• Award funding to the balance of ISDs based on the per child amount

Curriculum Review Committee
• Sept-April
• Go through process in two sets to get current curricula reviewed
• Post final results of the curriculum review on the website and adjust the list in the Implementation Manual
• Use established process to award the $2,000,000 in curriculum funding.

Next Steps
Curriculum Funding $2,000,000 (after Curriculum Review Committee Work)
• Request curriculum budgets from ISDs who wish to take part in April
• Calculate amount per child based on how many children are represented in the total request.
• Award funding requested to those below
• Put unused amount back into pot and recalculate the amount per child
• Award funding requested to those below
• Put unused amount back into pot and recalculate the amount per child
• Award funding to the balance of ISDs based on the per child amount
Awarding of Funding to Subrecipients

- One size doesn't fit all!
- Additional funding to the ISD means additional funding should go to CBOs
- New subrecipients-use approved process
- Internal decisions
  - What is the ISD keeping for administrative costs (up to 4%)
  - What is the ISD keeping for Outreach and Recruitment costs (up to 2%)
  - What is the ISD keeping for program costs (PQA-R, CLASS, child assessment tool, ECS?)

- Set subrecipient award amounts
- Prepare contracts
- Meet to share changes from legislation/MDE, review use of Function Codes and Object Codes
- Once budgets are submitted, review for correct placement of entries as to correct function and object code use

- Review to see if each entry is approvable for GSRP, and a reasonable amount
- Aggregate all subrecipient budgets by type (should match type on Breakdown of Accepted Funds) for entry into Program Implementation Plan (PIP)
  - 411 LEAS
  - 441 For Profit CBOs and Nonpublic Schools
  - 445 Not-for-Profit CBOs

Considerations for Carryover Budgets

- Connection to expense report
- FIFO, carryover funds must be used by June 30
- Number of function codes
- No carryover for transportation funds
- Connection to following year PIP
Function Codes and Object Codes

Use GSRP Function Codes and Descriptions from the Resources in the Budget section – unique descriptions based on GSRP.

• Refined 'Other' object code to more closely align with Michigan Public School Accounting Manual:

  Other: (7000) Amounts paid for goods and services not otherwise classified above such as dues and fees. (8000) Outgoing transfers and other transactions – this object category does not represent a purchase; rather it is used as an accounting entity to show that funds have been handled without receiving goods and services in return or when paying another public school district for services rendered. For GSRP, funds transferred to other ISDs for slots transferred out.

Employee vs. Purchased Service

• When entering salaries and benefits for an employee, FTE or hours are required.

• When a fee is paid to another entity for managing a contract to provide staff, it is an administrative cost and must be entered under FC 283: Staff/Personnel Services.

• Both the funding for the cost of contracted staff and administrative costs for using a contractor belong under the Purchased Service object code.

Cost Allocation

• Considerations
• Template to determine building costs attributable to GSRP
• Head Start/GSRP
Grant Year/Expenditure Period

• The GSRP grant year runs from October 1 to September 30 annually, consistent with the State of Michigan fiscal year.
• Expenditures for the grant year are budgeted to occur within a 12 month expenditure period identified by the ISD. Expenditure periods are identified in MEGS+.
• A budget for the funds accepted for the grant year must be submitted in MEGS+.
• A FER for the funds accepted for the grant year must be submitted in MEGS+.
• A Carryover Budget for grant year funds not expended within the ISD’s 12 month expenditure period must be submitted in MEGS+.

Capital Outlay

• Capital Outlay refers to costs in excess of $5,000 for equipment (per project) or building purchase and renovation costs to meet Public Act 116 of 1973, as amended; licensing approval; or to provide sufficient classroom space. A capital outlay request must be submitted by the ISD for each proposed capital expenditure. If a portion of any capital outlay item is charged to GSRP, MDE approval is required before the cost is incurred. Keep this form on file to reference pre-approval in MEGS+ review comments and for a fiscal review.

Capital Outlay

• Implementation Manual > Budget Section > Resources (located in the right column)
• GSRP Capital Outlay Request Form (revised September 2018)
  • Please make sure you are using the current form
  • Approval process
  • Reporting the expense in the FER
Capital Outlay

• Single projects with multiple contractors
• Single projects that take over a year to complete
• Shared expenses with other programs/funding sources

Food Program Details

• School Nutrition Program (SNP)
  • Reimburses breakfast & lunch costs
  • LEA/PSA eligible to participate
  • Community Based Organizations (CBOs) not eligible to participate in SNP directly; may purchase meals from a participating LEA/PSA.

• Child and Adult Care Food Program (CACFP)
  • Reimburses breakfast, lunch & snack costs
  • ISD/LEA/PSA/CBOs eligible to participate
  • CBO eligibility must be determined

GSRP Providers Ineligible for CACFP

• CBOs must participate in CACFP if eligible.
  • Prior to completing the CACFP application, a CBO may consult with MDE’s Office of Health and Nutrition Services to determine if they are eligible to take part in CACFP.
  • If deemed ineligible for participation, the program will receive a letter from CACFP documenting the lack of eligibility. This documentation must be provided to and kept on file at the ISD.
  • Ineligible CBOs may charge the full cost of meals and snacks to GSRP.
  • CBOs that are eligible, but provide SNACK-ONLY may choose not to participate in CACFP if deemed cost prohibitive. Documentation supporting this exception should be provided to and kept on file at the ISD.

• ISDs/LEAs/PSAs receiving reimbursement for meals through SNP, must participate in CACFP for SNACKS.
  • Exception: If participation in CACFP for snacks only is cost prohibitive, an ISD/LEA/PSA may choose not to participate. Documentation supporting this exception should be provided to and kept on file at the ISD.
GSRP will pay:

- Meal and snack costs remaining after federal food program reimbursement.
- Full cost of snacks provided for which programs do not receive federal food program reimbursement.
- Full cost of meals and snacks provided by subrecipients documented as ineligible for participation in CACFP.
- Full cost of meals and snacks for adults eating with children.

School Nutrition Program

- Invoicing - Detail for each period must include:
  - SFA prices for breakfast and lunch
  - Federal reimbursement rates
  - # of FREE meals served
  - # of REDUCED meals served
  - # of PAID meals served
  - # of ADULT meals served
- GSRP pays the difference remaining after reimbursement
- GSRP may also pay for additional supplies/equipment/delivery necessary for classroom family style meal service
Snack Costs Paid by GSRP

- When snack costs will be paid in full by GSRP, a “per snack cost” should be established annually during the budgeting process for each subrecipient not receiving federal reimbursement for snack.
- This cost must reflect the reasonable average cost of providing an appropriate nutritious snack that meets CACFP meal pattern guidelines.
- This is best done through the creation of a snack menu detailing one month of snacks that conform with requirements with the total cost calculated for each day’s snack.
- The cost of all snacks for the month should then be totaled and divided by the total number of children served to establish the average cost per snack.

ISD Monitoring of Subrecipients

- ISD should request budgets, FER information
- ISD should review invoices/receipts compared to budget
- Process for food costs charged to GSRP
- Capital Outlay requests over $5,000 are preapproved
- Three bids (or more) received for over state bid threshold
- Records agree with reports at ISD

Fiscal Monitoring of ISDs

- Request of General Ledger Detail – Slot and Transportation
- Payroll Detail, Employee Contracts
- Sampling of Invoices, Receipts, Purchase Orders
- Chart of Accounts/FER/Budget for GSRP
- GSRP Fiscal Policies and Procedures
- Sub-recipient Contracts
- Review revenue and expenditures for adequate documentation
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