



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4445 (Substitute S-1 as reported)
Sponsor: Representative Chuck Moss
House Committee: Appropriations
Senate Committee: Appropriations

CONTENT

House Bill 4445 (S-1) is a fiscal year (FY) 2011-12 School Aid supplemental bill appropriating to the Office of Great Start within the Michigan Department of Education a total of \$12.5 million in State spending for early childhood funding, and \$70.0 million in Federal funds if Michigan is awarded a Race to the Top - Early Learning Challenge grant. The \$12.5 million in State funding would be for the following two purposes: 1) \$3.25 million to begin the partial implementation of a kindergarten status assessment, and 2) \$9.25 million for the provision of services to early learning program providers in the Tiered Quality Improvement Rating System (TQRIS). In addition, if Michigan is awarded a Federal Race to the Top (RTTT) - Early Learning Challenge grant, then those Federal funds would be appropriated for the further statewide expansion of both the kindergarten assessment and TQRIS.

The \$3.25 million appropriation for the kindergarten status assessment would begin the implementation of a statewide standard kindergarten assessment to determine a child's readiness upon entering school, and to identify what type of early learning program, if any, the child was enrolled in prior to enrolling in kindergarten. The initial cost of implementing the assessment statewide is projected by the Early Childhood Investment Corporation (ECIC) within the Office of Great Start to total \$8.36 million. The program plans to link kindergarten readiness information with the existing P-20 data system. The funding also would pay for purchasing the assessment and training kindergarten teachers in the use of the assessment.

The \$9.25 million appropriation for the TQRIS would provide services for up to 75% of early childhood program providers (Great Start Readiness Program, Head Start, and licensed child care program providers). The TQRIS is a rating system designed to identify quality levels of early childhood providers and hold programs accountable for child outcomes, as well as provide parents with information about the early learning settings available. The TQRIS has been implemented for all 14,000 early learning settings but only with baseline information and one-star ratings. The supplemental would allow the Office of Great Start and ECIC to implement the improvement portion of the TQRIS by hiring and training raters and quality improvement specialists, aligning State licensing, standards, and professional registries, perform comprehensive assessments of early learning settings across multiple quality indicators, create a data system that tracks the supply of high-quality settings and links high-need children with those settings, and provide parent and family education.

MCL 388.1611 et al.

FISCAL IMPACT

The School Aid budget for FY 2011-12 has excess General Fund (GF) authorization, meaning not all of the GF appropriated is earmarked for specific purposes, and the excess is currently being used to support school district foundation allowance payments. House Bill 4445 (S-1) would earmark \$12.5 million of that excess GF authorization for the programs described above, resulting in a "hole" in foundation payments equal to \$12.5 million. The bill then increases the total School Aid Fund appropriation by \$12.5 million to fill in that "hole", which means that the School Aid Fund would bear the ultimate cost for this supplemental bill.

The bill also would appropriate the Federal Early Learning Challenge grant if Michigan is successful in its application, up to a maximum appropriation of \$70.0 million.

There is work project language in the bill as well, allowing the funds to be carried forward in a work project and spent until September 30, 2015.

Date Completed: 11-2-11

Fiscal Analyst: Kathryn Summers

Floor\hb4445

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.