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100 YEARS OF UNCOMPROMISING POLICY RESEARCH

Catalog of Early Childhood Funding in Michigan

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Catalog of Early Childhood Funding in Michigan

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This draft has been modified from the original in several places. Upon receiving feedback from administrators of several programs, we decided to amend the Catalog to incorporate their comments. The changes were incorporated in the descriptions of Great Start Readiness Program, Head Start, Individuals with Disabilities Act, Michigan At-Risk Funding, and Race to the Top - Early Learning Challenge.

Introduction

For more than two decades, scientific research has increasingly revealed the critical importance of the first years of a child's life on cognitive, emotional, and physical development. This scientific evidence has also been a focus in discussions regarding appropriate public policy related to very young children, particularly those from vulnerable households. As a result, there has been an expansion at both the federal and state levels in funding opportunities for early childhood programs. However, this array of new funding sources also means the landscape of early childhood funding has become more complex. Service providers may find it difficult to determine which grant program is most appropriate for their unique needs and may struggle to understand and comply with multiple sets of requirements when two or more funding sources are blended together. Philanthropic organizations focusing on early childhood issues may also struggle to maximize the impact of their contributions as they work with multiple grantees drawing on different federal and state funding streams, each with their own unique match requirements, use restrictions, and eligibility standards. Even parents and families selecting services may be confused in choosing an appropriate program as they encounter different titles and acronyms attached to individual programs.

The *Catalog of Early Childhood Funding in Michigan* is intended to help stakeholders navigate this new landscape. The catalog provides a comprehensive review of the major sources of federal and state funding available to support early childhood programming in Michigan. It is divided into two sections. The first section reviews the primary sources of funding programs (e.g. Head Start, child care subsidies) aimed – in whole or in part – specifically at early childhood efforts and initiatives. A second section covers secondary programs with a broader programmatic focus where the program's core mission includes early childhood efforts.

For each federal or state program identified, the catalog compiles key information helpful to stakeholders attempting to better understand and more effectively utilize available federal and state dollars to meet the needs of young children in vulnerable households. This includes specific information on each of the following program components:

Program Goals and Purpose: An overview of the general purpose and goals of the program as set out in its authorizing statute.

Eligible Activities: A review of the specific requirements, restrictions and limitations on how program dollars are utilized.

Eligible Recipients: A description of entities eligible to receive program funding, as well as restrictions regarding the population of children and families served under the program (e.g. age, income, demographic factors).

Available Funding and Award Process: Summary information on how program funding is awarded (e.g. competitive grants, formula allocation) and the criteria used in allocating funds. This includes information on awards to entities in Michigan and, specifically, when available, within Wayne County and the City of Detroit during the last completed fiscal year.

Match Requirements: A review of program matching requirements, including details on flexibility in providing "soft match" dollars using in-kind support versus strict cash match requirements, or other "maintenance of effort" (MOE) requirements imposed on recipients. This includes a discussion of available waivers or other exception processes through which match or MOE requirements can be altered.

Major Program Changes since 2000: Summaries of the major changes to program criteria since the year 2000, with a particular focus on any reauthorizations of applicable federal and state laws and/or the promulgation of new rules and regulations. In particular, the catalog includes a review of:

- Changes in overall funding available under the program, including changes to funding distributed to entities in Michigan.
- Major changes in the program's administration, including changes in guidelines regarding the allocation and/or distribution of funding and the nature of required matching funds.
- A review of recent special initiatives and pilot programs launched to test the efficacy of new approaches within the program.

Program Administration: Contact information for the lead federal and/or state administrative agencies responsible for administering the program as well as links to key program guidelines, relevant legislation, and administrative rules.

Blending and Braiding Early Childhood Funding

The catalog represents a useful resource for parents, early childhood service providers, and other stakeholders interested in learning more about the details of a specific program. However, the catalog can be of particular assistance to service providers interested in combining funding under more than one federal or state program to leverage additional dollars or improve the continuity of services for children as they move from infancy into pre-school and finally into kindergarten.

Opportunities for "blending" various funding sources exist where a provider is able to co-mingle dollars from different grants to provide a core set of services to young children. Typically, blending approaches are available when individual program guidelines specifically allow greater discretion on combining funds for a uniform set of services. Alternatively, "braiding" funding involves coordinating the use of two or more funding sources to support program costs. With braiding, revenues from each funding source are allocated to different spending categories and program spending needs to be tracked back to each individual funding source in order to meet the standards of each individual program. Thus, "braiding" requires substantially more effort (and thus costs) in terms of record-keeping and accounting.

Blending and braiding federal funding is made more complicated when relevant programs have significantly different eligibility and enrollment standards, payment processes and levels, and other program restrictions. To the extent that states have discretion over these program provisions, the burden associated with blending and braiding funding sources can be eased if the state aligns these program and eligibility requirements across the major early childhood funding sources.

Within early childhood programming, the most common example of aligning funding sources is the combining of federal Head Start, state pre-kindergarten, and state child care assistance in providing early learning opportunities to young children. Early childhood program providers can combine one or more of these funding sources to provide full-day services in a single setting to promote continuity of critical relationships with teachers and program staff. As an example, a child care center in Michigan might utilize both Great Start Readiness Program pre-kindergarten funding and state child care assistance to provide full-day programming to eligible children. In some cases, collaboration may occur across organizations, such as when a school district or Head Start grantee contracts with a child care center to provide full-day services at a shared site.

Policy experts and advocates suggest that states work to align the regulatory framework of state early childhood programs and, within the discretion granted to them by the federal government, state-administered federal programs in order to make blending and braiding of early childhood funding sources less burdensome. Examples of regulatory alignment would include:

- Aligning financial eligibility and verification requirements across their child care, Head Start, and pre-kindergarten programs.
- Lengthening eligibility redetermination periods for child care subsidies to ensure children maintain subsidy eligibility while completing full-day Head Start and/or pre-kindergarten programs that include a child care component.
- Allowing parents flexibility to maintain child care subsidy eligibility while searching for work or participating in employment and training programs.
- Allowing parents with non-traditional work schedules who can arrange for alternative unsubsidized care to use child care subsidies outside of parent work hours when high-quality learning options are more likely to be available.
- Incentivizing high-quality programs for very young children (aged 0 to 3) (for example, through Early Head Start-Child Care partnerships) to maximize continuity of care as these children move into Head Start and state pre-kindergarten programs.
- Providing flexibility in specific program standards when providers are blending or braiding funding streams.

The catalog provides early childhood providers, funders, and other stakeholders with information needed to understand the current differences in these major programs in order to more effectively coordinate funding

Table 1
Summary of Key Early Child Program Requirements in Michigan

	Head Start/ Early Head Start	Child Care Subsidy	Great Start Readiness Program (Pre-K)
Income Eligibility	90 percent of participants must come from families with incomes not greater than 100 percent of the federal poverty level; additional 35 percent of children can be from families with incomes up to 130 percent of federal poverty level if no unserved children in the service area	Eligibility based on family size and income, for family of four: Initial eligibility: Roughly 119 percent of the federal poverty level in 2015 Continuing eligibility: Roughly 243 percent of the federal poverty level in 2015	90 percent of participants must come from families with incomes not greater than 250 percent of the federal poverty level; up to 300 percent if no unserved children in service area
Age Eligibility	Early Head Start: 0 to 3 years of age Traditional Head Start: between 3 and 5 years old or until entry into kindergarten	Up to 12 years old; or up to 18 years old for person that meets special needs definition	Child must generally be 4 years old on September 1 of the new school year
Parent Work Requirements	None	At application, a child is eligible for subsidy only while parent is working or engaged in other approved activities. Under recent policy changes, subsidy can be maintained after job loss to cover care provided during job search.	None
Payment Rates	Head Start grantees generally operate under a 3-year contract which provides for total operating costs	Hourly payment rate based on provider type (e.g. center, family home) and age of child	Flat payment rate per half-day slot ($3,625 in FY2016)
Family Co-Payment	None	Between $15 and $40 per biweekly pay period depending on the family's income level	Families with incomes above 250 percent of the federal poverty level provide tuition co-payment based on sliding scale tied to household income; no copayment for lower income families
Redetermination Period	Annually	Annually, as of 2015.	Annually; most children participate for one year only

and advocate for policy changes that will enable more efficient coordination. **Table 1** summarizes key program requirements for Head Start, child care subsidies, and the Great Start Readiness Program (Michigan's state-funded pre-kindergarten program) to highlight areas of both similarity and difference in program standards.

Beyond blending and braiding one or more of the primary sources of early learning funding, early childhood funders and service providers can look outside these primary direct funding sources toward other federal and state grant programs that have the potential to provide supplemental funds for early childhood activities. The catalog documents a number of secondary funding sources that include early childhood programming among their broader set of purposes. For each of these programs, the catalog provides brief case study descriptions of how the relevant funding has been utilized in the recent past to support early childhood activities.

Resources on Blending and Braiding Early Childhood Funding Sources

The Ounce of Prevention Fund: Blending and Braiding Early Childhood Funding Streams Toolkit
www.theounce.org/pubs/policy-pubs/NPT-Blended-Funding-Toolkit.pdf

CLASP: Putting It Together: A Guide to Financing Comprehensive Services in Child Care and Early Education
www.clasp.org/resources-and-publications/publication-1/A-Guide-to-Financing-Comprehensive-Services-in-Child-Care-and-Early-Education.pdf

Spark Policy Institute: Early Childhood Guide to Blending & Braiding in New York
www.chapinhall.org/sites/default/files/documents/Spark_NYBlendBraidGuide%20FINAL%2010%2025%2013.pdf

Primary Sources

Child Care Development Fund

CFDA 93.575 Child Care and Development Block Grant (Discretionary Funds)
CFDA 93.596 Child Care Mandatory and Matching Funds

Program Goals and Purpose

The Child Care and Development Fund (CCDF) program provides grants to states, U.S. territories, Native American tribes, and tribal organizations to finance child care assistance for children in eligible low-income families while parents/guardians are engaged in employment or other eligible activities such as education and training. States provide support to eligible families in the form of subsidies that effectively reduce the family's out-of-pocket costs for child care services. While the vast majority of CCDF funds are used for child care subsidies, a portion of each state's allocation is set-aside to support activities that improve the quality and availability of child care services as well as other efforts that contribute to the goals of the program.

The current program was created within federal welfare reform legislation in 1996 and replaced a similar set of child care programs operated under the Aid to Families with Dependent Children (AFDC) program. The federal authorizing statute is the Child Care and Development Block Grant (CCDBG) Act. The CCDBG Act was originally authorized through FY2002 but was extended through a combination of annual appropriations and temporary extensions through FY2014.

A long-term extension of the statute was achieved when President Obama signed the reauthorization of the CCDBG Act on November 19, 2014, which funds the program through federal FY2020. The reauthorization laid out seven purposes of the CCDF program:

- Allow each state maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within that state.
- Promote parental choice to empower working parents to make their own decisions regarding the child care services that best suits their family's needs.
- Encourage states to provide consumer education information to help parents make informed choices about child care services and to promote involvement by parents and family members in the development of their children in child care settings.
- Assist states in delivering high-quality, coordinated early childhood care and education services to maximize parents' options and support parents trying to achieve independence from public assistance.
- Assist states in improving the overall quality of child care services and programs by implementing the health, safety, licensing, training, and oversight standards established in this subchapter and in state law (including state regulations).
- Improve child care and development of participating children.
- Increase the number and percentage of low-income children in high-quality child care settings.

While general program requirements for state programs are established in the CCDBG Act and related federal regulations, states have a wide degree of policy latitude with regard to their individual programs. In the information that follows, federal guidelines are noted first; followed by a review of Michigan's internal policies in each area.

Eligible Activities

The great majority of CCDF funds are used to provide child care subsidies designed to help families pay for child services through a chosen provider. CCDF funds are allocated to states through three different funding pools (see "Funding and Award Process" for details). At least 70 percent of Mandatory and Matching Funds are to be used to provide child care assistance to families who are receiving assistance under the Temporary Assistance for Needy Families (TANF) program, families who are attempting to transition off of TANF assistance through work activities, and families at risk of becoming dependent on TANF assistance. This reflects the initial emphasis of the CCDF program on serving families affected by the mandatory work requirements initiated by federal welfare reform legislation in 1996. Lead agencies must assure that a "substantial portion" of support from remaining Mandatory and Matching funds as well as a third Discretionary pool is used to provide assistance to families that do not fall within these assistance-related categories. Child care assistance must be provided on a sliding fee scale that provides for cost sharing by recipient families based on family income and the size of the family as well as any other factors determined appropriate by the lead state agency. States may waive contributions from families whose incomes are at or below the relevant federal poverty level for their family size.

Reimbursement to Child Care Providers

States have significant discretion in establishing reimbursement rates paid to child care providers under state child care subsidy programs. States establish maximum reimbursement rates paid to child care providers broken out by provider type (e.g. centers, family homes). Child care providers receive either the state maximum rate or their actual fee as charged to non-subsidized families, whichever is less. In most states, including Michigan, if the provider's actual fee is greater than the state maximum, the provider can choose to charge the family for any difference.

States are required by federal law to conduct a local market rate survey or to utilize some alternative cost estimation methodology within the two year period preceding the submission of their state CCDF plan in order to determine prevailing market rates or costs for child care in different areas of the state. Regulations suggest – but do not require – that states set maximum reimbursement rates at levels equivalent to the 75th percentile of relevant market rates. In other words, rates should equal or exceed the charged market rate of 75 percent of the providers in the related market area. The only requirement within federal law and regulations is that states establish rates that ensure equal access for subsidy-eligible children to comparable child care services provided to children whose families are not otherwise subsidy-eligible. States include the rationale used to determine the sufficiency of their rate structure within a state CCDF plan submitted to the federal government.

Standard Reimbursement Rates: Within this framework, state reimbursement rates vary widely. As of February 2015, a survey of state CCDF policies compiled by the National Women's Law Center indicates only two states – Montana and South Dakota – had reimbursements rates at or above the federal government's benchmark of the 75th percentile of market rates for both four-year old and one-year old children using center-based care. Michigan's standard reimbursement rates were among the nation's lowest. For four-year olds in standard center-based care, Michigan's $2.50 per hour maximum hourly reimbursement rate paid centers a monthly equivalent of $487, about 59 percent of the 75th percentile market rate for center-based care which was $823 per month in the 2013 market rate survey used in the analysis. For one-year old infants, Michigan's standard hourly rate is $3.75 per hour, equivalent to $731 per month or 60 percent of the 75th percentile market rate of $1,219 for that age group. Only three states – Arizona, Missouri and Ohio – had established lower reimbursement rates as a percentage of the 75th percentile benchmark for one-year olds in center care. By the same measure, only Arizona and Missouri had lower rates for four-year olds.[1]

Tiered Reimbursement Rates: Many states, including Michigan, have begun to establish tiered reimbursement structures that reward child care providers that achieve certain designated quality standards with an enhanced reimbursement rate. Quality is generally gauged through a state's Quality Rating and Improvement System (QRIS), which states use to assess the quality of provider care and to help provide information to families in their search for high-quality providers.

Michigan adjusted its tiered reimbursement structure in July 2015 to increase rates for providers at higher-quality care levels. The new structure raises the effective monthly reimbursement for four-year olds in top-tier child care centers to $683 – equivalent to 83 percent of the 75th percentile benchmark rate. Thus, even for these high-quality providers, Michigan's reimbursement rate still falls short of the federal recommendation.

Eligible Recipients

Applicant Eligibility

Formula funding is distributed to lead agencies within all 50 states, the District of Columbia, and Federally-recognized Tribal Governments. Lead agencies must operate their child care programs within the requirements of federal laws and regulations. Each lead agency is required to submit a CCDF plan to the federal government outlining it program provisions and documenting its compliance with federal law and rules. The plan must be submitted for approval every three years.

Beneficiary Eligibility

States generally may provide child care subsidies on behalf of children up to 12 years of age whose families have incomes that do not exceed 85 percent of their state's median income for a same-sized family. Children must reside with one or more parents or other legal guardians that require child care for one of the following three purposes: (1) the parent/guardian is working; (2) the parent/guardian is attending job training or an educational program; or (3) the parent/guardian is in need of, or is receiving, protective services. At the option of the lead agency, eligibility may be extended to children up to 18 years of age who are physically or mentally incapable of caring for themselves or are under court supervision.

Under the recent reauthorization of the CCDF program, states are now also required to establish 12-month redetermination periods for CCDF assistance, which will allow families to continue to be eligible for child care subsidies for one continuous year regardless of changes to the family's income or temporary changes in parental participation in work or training programs, as long as income remains below 85 percent of state median income. After a permanent job loss, reauthorization provisions now require states to provide at least three months of continued assistance to allow parents to engage in job search, job preparation, or to attend education and training programs.

Eligibility Provisions in Michigan

The provisions noted above represent federal eligibility guidelines. Individual states have significant discretion to establish their own internal policies with regard to eligibility, and most states have established

1 Karen Schulman and Helen Blank, *Building Blocks: State Child Care Assistance Policies 2015*, National Women's Law Center, October 2015.

eligibility provisions that are much more limited than otherwise allowed under the federal guidelines. Under Michigan policies, a family of three must have annualized income of no more than $23,880 – which equates to 38 percent of state median income and about 119 percent of the 2015 federal poverty level – in order to gain initial eligibility for child care assistance. Michigan's threshold is less than half of the federally allowable limit of 85 percent of state median income. As of February 2015, only one state (Maryland) had a lower income eligibility threshold based on percentage of state median income.

Spurred by the new federal requirements under reauthorization, Michigan expanded income thresholds for continuing program eligibility in July 2015. Under the new policy, a family of three receiving child care assistance can now maintain their subsidy support until their annualized income reaches $48,828; equivalent to 78 percent of state median income and 243 percent of the 2015 federal poverty level. This policy change now gives Michigan one of the highest exit income limits in the country.

Funding and Award Process

States and territories received over $5.3 billion in annual federal CCDF awards through formula allocations from three distinct funding pools: Discretionary Funds, Matching Funds, and Mandatory Funds. The Matching Funds pool has both matching and maintenance of effort requirements (see "Match Requirements" for details). There are no matching requirements for states to access the other two funding pools.

In FY2015, $2.4 billion in *Discretionary Funds* were awarded to states, tribes, and U.S. territories – representing about 45 percent of the total funding. The Discretionary Funds pool is allocated based on three factors: 1) the proportion of children under age five living in the state/territory/tribe; 2) the proportion of school-age children receiving free or reduced price school lunches living in the state/territory/tribe; and 3) per capita income in the state/territory/tribe relative to national per capita income. Lead agencies must obligate Discretionary Funds by the end of the fiscal year following the award. Unobligated funds are realloted to other states. FY2014 spending reports show Michigan had an unobligated balance of $57.0 million in Discretionary Funds at the close of that year.

Mandatory Funds are allocated to states and recognized tribal governments based on the documented federal share of expenditures under previous Title IV-A child care programs operated in the early to mid-1990s. About 32 percent of total program funding, $1.2 billion in Mandatory Funds, were allocated in FY2015. Since a state or tribal allocation from Mandatory Funds is a fixed amount based on historical spending, this allocation does not change from year to year. In FY2015, Michigan received an allocation of $32.1 million from this allocation. Mandatory Funds must be obligated within the fiscal year they are awarded, but are not subject to reallotment.

Finally, *Matching Funds* ($1.7 billion in FY2015; 32 percent of total funding) are allocated based on the population of children under age 13 in each state. They are available only to states and the District of Columbia. They must be obligated within the same fiscal year in which they are awarded; unobligated funds are realloted to other states. Michigan received an allocation of $50.1 million in federal funding from the Matching Funds pool in 2015. Federal spending reports show Michigan had an unobligated balance of $9.3 million at the close of FY2014 that was subject to reallotment to other states.

For FY2015, Michigan has been allocated $156.3 million from the three federal funding pools – equal to about three percent of the total allocation to the states and the tenth-highest allocation nationwide. Appendix 1 outlines the average monthly number of children served and total child care subsidy payments made during FY2015 in Michigan by county. For Wayne County, 7,920 children were served by the program during a typical month, with total subsidy payments equaling $29.7 million for the year. Statewide, the average monthly caseload was 29,624 children with total payments equal to $105.0 million. This includes both federal and state contributions.

While data is reported only at the county level, the Michigan Department of Education indicates that 8,913 children within the City of Detroit received subsidy support during FY2015. In comparison, subsidy support was provided to 15,092 children residing in Wayne County as a whole and to 56,450 children statewide. (Note: These figures reflect the total number of children served across the entire fiscal year, as compared to the caseload figures in the previous paragraph which note the average number of children served during a typical month. Many children receive support for only part of the year, which accounts for the differences across the two sets of data.)

For many states, CCDF funds represent only one component of the financing of child care assistance. States receive federal funds under the Temporary Assistance for Needy Families (TANF) block grant to finance programs that provide public assistance and promote family self-sufficiency, and federal law allows states to spend TANF funds directly on child care or conversely to shift up to 30 percent of TANF funding into its CCDF allocation. In either fashion, TANF has become an important supplement to CCDF funding for many state child care assistance programs, including Michigan.

Match Requirements

In order to receive Matching Funds, states must match the federal Matching Fund allocation with state dollars based on its annual Federal Medical Assistance Percentage (FMAP) rate (the same match rate used for the Medicaid program). Michigan's FMAP rate for FY2015 was 65.54 percent, which represents the federal share for the program. Thus, Michigan's state share was 34.46 percent (100 percent minus the FMAP rate). Effectively then, Michigan must provide a match of around $0.52 for each $1 it receives from the federal Matching Funds pool ($34.46 state/$65.64 federal = $0.526). The state must also expend state-generated funds equal to its state maintenance of effort (MOE) level which ensures that states maintain a minimum level of state support for child care programs tied to historical expenditures prior to welfare reforms that created the CCDF program. In total, Michigan's MOE requirement was equivalent to $24.4 million and its total state match requirement was equal to $26.3 million in FY2015. Combined federal and state funding in Michigan for child care subsidies was about $207 million.

Family Co-Payments

Along with setting the overall reimbursement rate for various types of child care providers, states also have discretion to determine the recipient family's copayment level – that portion of the reimbursement rate for which the family, rather than the state, will be responsible. Federal rules require the co-payment to be adjusted on a sliding scale based on family income. Nationally, co-payment policies vary greatly across the states. Some states set copayments as fixed dollar amount for families within certain income ranges, while others set copayments equal to a given percentage of income or of their maximum reimbursement rate.

Relative to other states, Michigan is relatively generous to families with its copayment policies. In January 2016, Michigan unveiled revisions to its copayment policy to establish a fixed copayment of $15 per child per two-week pay period for families that meet income eligibility criteria to establish a new child care subsidy case. Families who remain eligible for a child care subsidy under Michigan's higher exit income limit (see "Beneficiary Eligibility" above) will be responsible for covering progressively higher co-payment levels as their income grows. A family of three approaching 250 percent of the poverty level and with one child in care under the new policy will be responsible for a biweekly copayment of $40 per month. Michigan's new flat copayments are assessed on a per-child basis, so the copayment would double if two children were in care.

Major Program Changes since 2000

The Child Care and Development Block Grant Act was formally reauthorized for the first time in 2014. The reauthorization made a number of significant revisions to state program requirements. Key changes in the reauthorization act include:

- A 12-month eligibility redetermination period for CCDF assistance; thus, families will continue to be eligible for child care subsidies for one continuous year regardless of changes to the family's income as long as income remains below 85 percent of state median income.
- Graduated phase-out of CCDF assistance for families whose incomes have increased at the time of redetermination but remain below 85 percent of state median income.
- A requirement for states to establish reimbursement policies based on generally accepted payment practices for child care providers, including paying for days of absence and timely reimbursement for services.
- Increased set-aside from four percent of CCDF funds to nine percent of funds by FY2020 targeting activities that improve the quality and availability of child care.
- Development of health and safety standards for child care providers and expanded inspections for both licensed and license-exempt CCDF providers (with the exception of relative providers).

The reauthorization funds the CCDF program through FY2020 and expands the total authorization from $2.36 billion in FY2015 to $2.75 billion in FY2020.

Total program funding increased by over 55 percent between FY2000 and FY2015. Michigan's share of total allocations increased at a slightly faster rate over the same period.

Table 2
Change in CCDF Federal Allocations Between FY2000 and FY2015

	FY2000	**FY2015**	**Percent Change**
Nationwide	$3,459,680,564	$5,379,024,454	55.5%
Michigan	$96,141,475	$156,268,909	62.5%

See **Appendix 1** for a breakdown of child care subsidy payments by county.

Program Administration

Within guidelines provided under federal law and rules, Michigan's Child Development and Care Program is administered by the Michigan Department of Education's Division of Child Development and Care:

State-Level: Michigan Child Development and Care Program
Lisa Brewer Walraven, Director – Division of Child Development and Care
Michigan Department of Education, Office of Great Start
Director: 517-373-4116
Program information: 866-990-3227
Website: michigan.gov/childcare

Federal-Level: Child Care and Development Fund
Rachel Schumacher, Director – Office of Child Care
U.S Department of Health and Human Services, Administration for Children and Families
Office of Child Care: 202-690-6782
Website: http://www.acf.hhs.gov/programs/occ

References

Child Care and Development Block Grant Act (as reauthorized):
https://www.acf.hhs.gov/sites/default/files/occ/child_care_and_development_block_grant_markup.pdf

Child Care and Development Fund proposed federal regulatory changes (December 2015):
https://www.acf.hhs.gov/sites/default/files/occ/ccdf_reauthorization_proposed_regulations_trackedchanges.pdf

Michigan Child Development and Care (CDC) Handbook (Michigan program guidelines):
michigan.gov/documents/mde/CDC_Handbook_7-2013_428431_7.pdf?20150219123130

Child Care and Development Fund Report to Congress for FY 2012 – FY 2013:
www.acf.hhs.gov/sites/default/files/occ/ccdf_report_to_congress_fy12_13.pdf

Catalog of Federal Domestic Assistance summary information

CCDBG (Mandatory Funds):
https://www.cfda.gov/index?s=program&mode=form&tab=step1&id=a055c31de8018a7cbf9a19e3c25ae4cc

Matching and Discretionary Funds:
https://www.cfda.gov/index?s=program&mode=form&tab=step1&id=fbf6a1bd92a18777adc5b3ea8f07a9aa

Great Start Readiness Program

State-Funded Program

Program Goals and Purpose

The Great Start Readiness Program (GSRP) is a state-funded program that provides high-quality pre-school opportunities for four-year olds in Michigan that are at-risk of educational failure. The program was initiated in 1987 when formula-based grants were first provided to support half-day programs for just over 7,700 children. Since then, the program has been expanded significantly and will fund over 63,000 half-day program slots for eligible children in FY2016 with funding support of over $243 million. Funding is provided through intermediate school districts (ISDs) who distribute funding to local GSRP providers, including local school districts, public school academies, and other public and private entities who meet eligibility requirements. ISDs may also elect to directly provide program services.

Eligible Activities

GSRP grant funding can be used to support comprehensive part-day, school-day, or GSRP/Head Start blended programs. Part-day programs draw on funding for one half-day slot for each child and must operate at least four days per week, 30 weeks per year, with at least three hours of teacher-child contact time per day. School-day programs utilize two half-day slots for a single child and operate for at least the same length of day as a school district's first grade program and for a minimum of four days per week, 30 weeks per year. GSRP/Head Start blended programs blend state and federal funding to combine part-day GSRP and Head Start programs into a full school-day program. Providers operating a blended program must ensure compliance with all GSRP and Head Start policies and adhere to the highest standard for either program as applicable. GSRP funds cannot be used to meet costs that are reimbursed or are reimbursable by the federal government.

Program Requirements

GSRP providers are required to incorporate all of the following components into their programs:

- **Recruitment and enrollment**: Collaborative process that ensures enrollment in the program most appropriate to the enrolling child's needs and to maximize the use of federal, state, and local funds.
- **Educational curriculum**: Age-appropriate curriculum that is in compliance with the early childhood standards of quality for prekindergarten children adopted by the Michigan State Board of Education.
- **Comprehensive services**: All participating children must receive nutritional services; physical and dental health and developmental screening services; and family referral services to appropriate community social service agencies, including mental health services.
- **Parental engagement**: Active and continuous involvement of the parents or guardians, including parental participation on the local School Readiness Advisory Committee.
- **Quality**: Providers must participate in Michigan's "Great Start to Quality" rating process with a rating of at least three stars (out of a maximum rating of five stars) and have a plan to conduct and report annual GSRP evaluations and continuous improvement plans using criteria approved by the MDE.
- **Stakeholder advisory committee**: Participation in a School Readiness Advisory Committee convened as a workgroup of the regional Great Start Collaborative (GSC), which is responsible for planning, coordination, and evaluation efforts at the regional level to facilitate high-quality early childhood programs. The advisory committee is to involve classroom teachers, parents or guardians

of participating children, and appropriate community, volunteer, and social service agencies and organizations. The committee is tasked with reviewing and making annual recommendations regarding program components and other needed community services designed to improve school readiness.

- **School transition**: Ongoing articulation of the kindergarten and first grade programs offered by the program provider.

Eligible Recipients

Applicant Eligibility

Grant funding is provided directly to intermediate school districts (ISDs), or to collaborative consortia of ISDs, through a formula established in the state's School Aid Act. All 56 ISDs in Michigan receive formula funding.

ISD funding is passed through to GSRP providers who may include local school districts (or a consortium of districts), public school academies (i.e. "charter schools"), or any other public or private entity that agrees to meet and incorporate all required elements of GSRP program requirements into their programs (see "Eligible Activities" above). This includes receiving at least a three star quality rating within Michigan's "Great Start to Quality" evaluation system.

Teacher qualifications: GSRP providers must also ensure the use of qualified personnel in delivering preschool services. Lead teachers must either (a) hold a valid Michigan teaching certificate with an early childhood endorsement; or (b) hold a bachelor's degree in early childhood education or child development with a specialization in preschool teaching. Similarly, paraprofessionals used within GSRP programs must either (a) hold the equivalent of an associate's degree in early childhood education or child development; or (b) hold a child development associate (CDA) credential. If a GSRP provider can show it has made reasonable efforts but has been unable to comply with these standards, personnel may be employed that meet minimum training requirements and have a plan approved by the Michigan Department of Education to come into full compliance with these standards within two years.

Use of Community-Based Providers: The School Aid Act requires that at least 30 percent of an ISD's allocated GSRP slots must be contracted with community-based providers that include both public and private for-profit and non-profit entities. Head Start grantees count as part of this community-based allocation, even if the Head Start program is operated by the ISD. If an ISD is unable to distribute 30 percent of its slots to eligible community-based partners, it can obtain an exemption from the Michigan Department of Education and retain its slot allocation if it is able to demonstrate it met specific notification requirements to local licensed child care centers and families regarding GSRP eligibility that resulted in an increase in the percentage of slots allocated to community-based providers. Failure to obtain an exemption results in the loss of slots equal to the difference between 30 percent of the ISD's slot allocation and the number of slots actually allocated to community-based providers.

Beneficiary Eligibility

Children enrolled in GSRP programs must be four years old on the September 1 that coincides with the new school year. Parents may request early entry into GSRP for children who turn four years old after September 1 but before December 1. Early entry assumes that the parent also intends to enroll the child early for kindergarten the following year.

Generally, at least 90 percent of the children participating in an eligible GSRP program must live with families with a household income that is no more than 250 percent of the federal poverty level or alternatively, be either (a) served in foster care, (b) experiencing homelessness, or (c) have individualized education plans (IEP) – used to establish educational plans and priorities for students qualifying for special education services – recommending placement in an inclusive preschool setting. However, if the ISD administering the program determines that all eligible children under this eligibility standard are being served and that no waiting list of eligible unserved children exists, then the ISD may enroll children who live with families with a household income that is no more than 300 percent of the federal poverty level. The ISD administering the programs locally must establish a sliding scale of tuition rates based on household income and bill families with incomes over 250 percent of the federal poverty level for services to their children according to this sliding scale.

Programs must ensure that children with the highest needs are served first when the number of eligible children applying for services exceeds available funded slots. The enrollment process must consider income and risk factors in prioritizing enrollment into the program. The risk factors are:

- **Low family income**: No more than 250 percent of the federal poverty level.
- **Diagnosed disability or identified developmental delay**: Eligible for special education services, less than age-appropriate developmental progress, or contributing chronic health issues.
- **Severe or challenging behavior**: Has been expelled from a preschool or child care center.
- **Primary home language not English**: English is not spoken in the home and is not child's first language.
- **Parent(s) with low educational attainment**: Parent(s) is not a high school graduate or faces illiteracy.
- **Abuse/neglect**: Is present in the home and involves the child, parent, or sibling; includes drug/alcohol abuse.
- **Environmental risk**: Evidence of parental absence from home (e.g. death, incarceration, separation, military service); sibling issues; teen parent; homelessness; living in high-risk neighborhood; or pre- or post-natal exposure to toxic substances.

Funding and Award Process

Intermediate school districts receive grant funding for GSRP under a formula established in section 39 of the state School Aid Act. A part-day slot amount is determined annually by the Michigan Legislature within the appropriations process to establish how much the state will pay for one child to attend a part-day GSRP program. The number of part-day slots allocated to each individual ISD is determined through a multi-round grant determination process. The core component of that process is a formula count for each ISD determined by multiplying:

- One-half of the percentage of students in grades 1 through 5 enrolled within that ISD's service area during the prior school year who were eligible for free lunch under the federal School Lunch Act.
- The average number of students enrolled in kindergarten within the same service area during the two previous school years.

This count establishes the number of half-day slots for which the ISD is to receive funding. Appropriated GSRP funds are then distributed to ISDs through round-based funding formula. Within each round of these prioritized funding allocations, funding is distributed first to ISDs with the highest concentration of eligible children as determined by the formula count until appropriated funds are fully utilized.

First-round funding provides each ISD, in rank order, with an amount equal to the legislatively-determined per-slot payment level (in FY2016, the payment was $3,625 for each half-day slot) multiplied by the lesser of either the ISD's formula count for half-day slots or the number of slots the ISD indicates it will be able to serve during the school year based on its submission of a Community Needs Assessment and Application (CNAA). The slot request must equal the estimated number of children from eligible families (incomes at or below 250 percent of the poverty level) minus those that will be served by Head Start.

To the extent that appropriated funding remains after this initial allocation, additional rounds of funding are distributed to ensure that ISDs receive, in the priority listed below, funding to cover:

- **Second round funding**: the number of half-day slots utilized during the immediately preceding fiscal year (essentially a "hold harmless" allocation).
- **Third round funding**: the number of half-day slots the ISD indicates it will be able to fill during the school year if that number exceeded its formula count (priority is given in this round to ISDs that offer supplementary child care financed with non-GSRP funds that provides for a full-day program with a total of at least ten hours of programming per day).
- **Fourth and fifth round funding**: ISDs that elect to use slots for school-day or GSRP/Head Start blended programs will have additional eligible children that are unserved since their original slot request would be based on half-day slots for non-Head Start children. To the extent funding remains available, these rounds provide additional funding to cover these unserved children with fourth round funding going first to cover slots utilized for this purpose in the prior fiscal year by the ISD.

Administrative and Supporting Costs

ISDs receiving GSRP funds from the state are authorized to spend up to four percent of their total grant on ISD-level administrative services and another two percent of the total grant on activities related to outreach, recruitment, and public awareness for the program. GSRP providers receiving contracts from ISDs are authorized to spend up to four percent of their individuals grant awards on administrative services. When ISDs act as direct service providers, total administrative services spending for that portion of grant funding cannot exceed seven percent, which would include both general ISD-level administration as well as administrative costs of providing the direct service.

Transportation

From the total FY2016 GSRP appropriation of $243 million, $10 million is reserved to cover transportation costs for children attending GSRP programs. From this funding, each participating program receives an allocation equal to the lesser of (1) $150 multiplied by the number of funded slots for the program; or (2) the program's projected transportation budget as submitted to the administering ISD. Reimbursement is prorated on a per-slot basis if the $10 million appropriation is not sufficient to meet the full prescribed reimbursement.

Unused Funding:

Any slots that go unused by an ISD are recaptured and redistributed as "Enhanced Funding" to other ISDs that have fully utilized their slot allocations. Enhanced Funding allocations are based on the same prioritization process noted above for regular GSRP funding. With regard to filled slots, if actual expenditures fall below authorized expenditures (filled slots multiplied by current per-slot amount), the ISD may submit a Carryover Budget request which allows these funds to be expended in the subsequent fiscal year.

GSRP Funding in Michigan and Detroit:

Table 3 below provides summary information on GSRP total funding and slot allocations. Information is provided for Michigan as a whole as well as for the Wayne County Regional Educational Service Agency (RESA). Within the Wayne County RESA, totals are also given specifically for Detroit Public Schools as well as for all other non-DPS entities (e.g. charter schools, child care centers) residing within the City of Detroit that received GSRP allocations. Wayne County RESA received an allocation equaling about 22 percent of total statewide GSRP funding. About eight percent of statewide funding was allocated to Detroit Public Schools and another five percent to non-DPS schools in Detroit.

Table 3
Summary of FY2016 GSRP Allocations

	Half-Day Slots	Funding
Statewide	64,439	$233,591,375
Wayne County RESA	14,193	$51,449,625
Detroit Public Schools	5,188	$18,806,500
Other Providers in City of Detroit	3,208	$11,629,000

See **Appendix 2** for information on allocations to all intermediate school districts.

Match Requirements

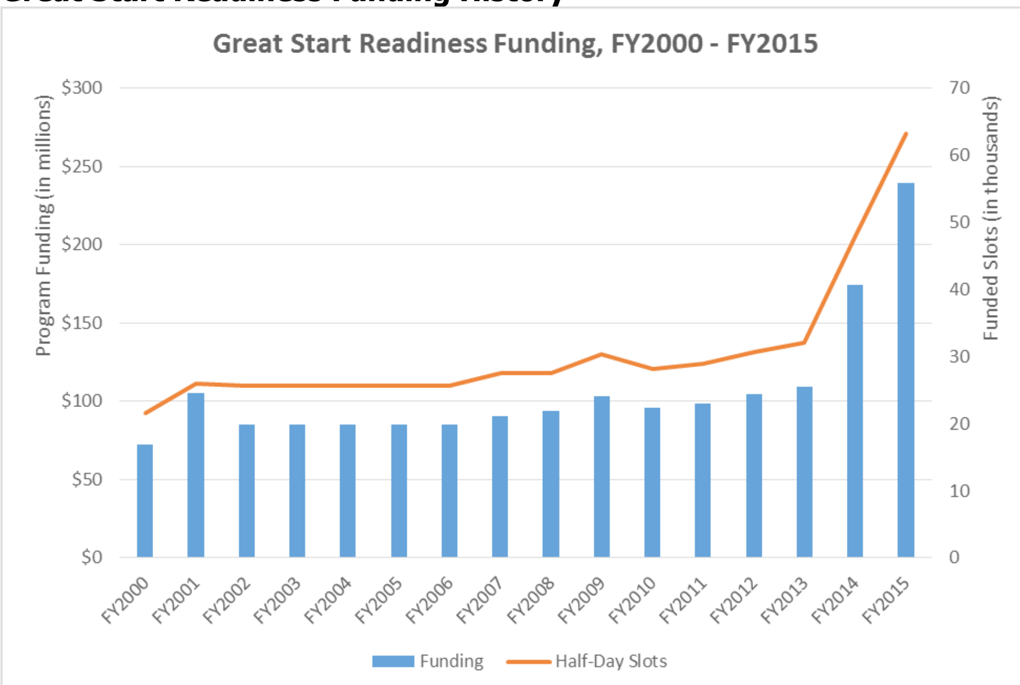
There are no match requirements for the GSRP program.

Major Program Changes since 2000

2014 and 2015 Funding Increases

After remaining largely flat for over a decade, GSRP funding jumped significantly starting with the FY2014 state budget. Total program funding was increased from $109.2 million in FY2013 to $239.3 million in FY2015, increasing funded half-day slots statewide from 29,529 to 63,248. Part of this new funding also facilitated an increase in payment levels per half-day slot, which increased from $3,400 to $3,625. **Chart 1** below provides an overview of total funding and funded slots for GSRP from FY2000 through FY2015.

Chart 1
Great Start Readiness Funding History



Source: Michigan Department of Education

Parenting Education and Full-Day Funding

Beginning in FY2004 and continuing through FY2013, a portion of GSRP grant funding could be used for parenting education purposes. This funding option incorporated the focus of a separate program introduced in the FY2003 School Aid budget that had the goal of "encouraging positive parenting skills; enhancing parent-child interactions; providing learning opportunities to promote intellectual, physical, and social growth; and promoting access to needed community services through a community-school-home partnership." The program became known as the Parent Involvement Education (PIE) Initiative and included services such as evidence-based home visiting, parent group meetings, periodic development screenings, and referral services to appropriate community-based resources. Starting in FY2008, spending for PIE services out of GSRP allocations was capped at FY2007 expenditure levels, and with the expansion of GSRP in FY2014, PIE-related services were no longer an eligible component of GSRP grant funding.

Another change was an increased emphasis on full-day services. While one-time funding for full-day pilot programs was provided in FY2000 and FY2001, it was not until FY2006 that an option for full-day funding was provided under GSRP formula allocations. As is still the case, a child enrolled in a full day program utilizes two half-day slots. Beginning in FY2009, the School Aid budget further authorized the blending of GSRP and Head Start funding to support full-day programming.

Competitive Grant Funding for Community-Based Providers

Traditionally, the GSRP program had been composed of two distinct funding pools: a formula-based program distributing funding to eligible school districts and a separate competitive grant program aimed at community-based providers such as Head Start grantees and licensed child care centers. In FY2000,

$55 million was available to districts through formula funding, and another $12.1 million was appropriated for competitive grants to community-based providers. As GSRP funding was expanded, the allocation for competitive grants did not keep pace. By FY2013, the formula allotment was equal to $100.4 million while the competitive grant allocation had fallen slightly to $8.9 million. With significant expansion of GSRP funding in FY2014, a greater emphasis was placed on participation by community-based providers. The distinct competitive grant formula was eliminated, and instead ISDs were required to contract with public and private, for-profit and non-profit community-based providers for at least 30 percent of their total slot allocation unless the ISD was able to demonstrate it was unable to find eligible providers to meet the requirement.

Program Administration

The program is administered by the Office of Great Start within the Michigan Department of Education:

State-Level: Office of Great Start
Susan Broman, Deputy Superintendent – Office of Great Start
Michigan Department of Education
Program Office: Office of Preschool and Out-of-School Time Learning
Phone: 517-373-8483
Website: michigan.gov/gsrp

References

Legislation: School Aid Act (see Sections 32d and 39 for GSRP provisions):
www.legislature.mi.gov/documents/2015-2016/publicact/pdf/2015-PA-0085.pdf

Great Start Readiness Program (GSRP) Implementation Manual:
www.michigan.gov/mde/0,4615,7-140-63533_50451-217313--,00.html

GSRP Funding History:
www.michigan.gov/documents/mde/GSRP_Funding_History_2015_490520_7.pdf

GSRP FY2016 Final Allocations:
www.michigan.gov/documents/mde/rptAllocList-2016_8.6.15_496384_7.pdf

Wayne RESA – GSRP Roster for 2015-2016:
www.resa.net/downloads/great_start/wayne_resa_-_gsrp_roster_-_2014-15_20141001_093748_9.pdf

Key Program Provisions:

Income Eligibility: www.michigan.gov/documents/mde/GSRP_Income_Eligibility_Guidelines_012815_480025_7.pdf

Risk Factors:
michigan.gov/documents/mde/Risk_Factor_Definitions_408472_7.pdf
www.resa.net/downloads/great_start/gsrp_selection_criteria_20140814_133508_24.pdf

Enrollment Prioritization:
www.michigan.gov/documents/mde/Enrollment_Flowchart_November_2013_466781_7.pdf

Head Start

CFDA 93.600 Head Start

Program Purpose and Administration

The Head Start program provides early learning and development programming to young children from birth to age five in both formal child care settings and in their homes. Children are primarily from low-income families. The program's goal is to enhance school readiness for this vulnerable population by enhancing their cognitive, social, and emotional development through the provision of high-quality learning environments that support the child's development and through the provision of other comprehensive services (e.g. health, educational, nutritional, social) to low-income children and their families determined to be necessary through family needs assessments.

Traditional Head Start programs focus on providing high-quality pre-school services to three- and four-year old children. Beginning in 1995, Early Head Start programs also serve pregnant women, infants, and toddlers and are available to the family until the child turns three years old and is ready to transition into a traditional Head Start or another pre-school program.

Head Start also emphasizes parental engagement, encouraging parents of children enrolled in the program to participate in program activities to support and foster their children's development and learning. Head Start requires programs to provide opportunities for parental involvement in the development, conduct, and governance of local programs through participation in policy groups (e.g. Policy Councils). The program operates under the provisions of the federal Improving Head Start for School Readiness Act of 2007, the most recent reauthorization legislation for Head Start. The original Head Start Act was enacted in 1965.

Eligible Activities

Head Start promotes the school readiness of young children from birth through age five from low-income families through local program grantees, which include public, private non-profit, and private for-profit agencies. Head Start services are designed to meet identified local community needs and must meet the requirements outlined in the Head Start Program Performance Standards. Traditional Head Start programs serve children aged three to five, while Early Head Start provides services and family support to infants and toddlers and their families. All grantees must offer services that meet Head Start program standards, including:

- **Education and early childhood development**: with services that are developmentally-appropriate and age-appropriate.
- **Child health and developmental services:** provision of health care and screening/follow-up on developmental and behavioral concerns.
- **Child health and safety:** Emergency preparedness and standards for hygiene, injury prevention, medications, and first aid.
- **Child nutrition:** Meeting the nutritional and feeding needs of each child as appropriate; parent education; food safety.
- **Child mental health:** Collaboration with parents and provision of services to address relevant concerns.
- **Family partnerships:** parental involvement in the Head Start program; family goal setting and referrals to appropriate community services.
- **Community partnerships:** communication and collaboration with community partners to ensure appropriate provision of community services.
- **Services for children with disabilities**.

All grantees are required to provide classroom or group socialization activities for the child as well as home visits to the parents. Facilities must meet both Head Start regulations and state or local licensing requirements. Grantees may utilize one of the following program options:

- **Center-Based Model:** Classes are conducted at Head Start centers and meet four to five times per week. They are staffed by a teacher, at least one additional teacher or aide, and whenever possible, a volunteer. Allowable class size is determined by the length of the program day and the primary age of the children enrolled. Typically, classes range from 13 to 20 children. Part-day centers must operate at least 3.5 hours per day and for at least 32 weeks during the year. Full-day programs may be offered to special needs children and those who have working parents and no caregiver in the home. These programs must operate at least six hours per day. Center-based grantees must establish a system to encourage at least two home visits with parents for each child served in the program.
- **Home-Based Model:** Used primarily by infants and toddlers participating in Early Head Start, services are provided in the child's own home within the context of the parent-child relationship. Home visitors work directly with parents to promote positive parent-child interactions and activities to promote school readiness. Grantees must provide at least two group socialization activities per month for each child and provide at least one home visit per week with a minimum duration of 90 minutes. Visits over the course of a month must contain elements of all Head Start program components. Home visitors are expected to carry caseloads of between ten and twelve families. Of note, the Early Head Start home-based services model has qualified as an "evidence-based" model under the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program. Thus, these services qualify for federal MIECHV funding.

Grantees may also blend the two options in accordance with Head Start regulations or may combine Head Start services with child care services provided through a delegate agency that offers a family child care program. More recently, funding has been made available for Early Head Start – Child Care Partnerships to garner collaboration between Early Head Start providers and high-quality child care providers in providing full-day, year-round services to eligible infants and toddlers (see the description in the "Major Program Changes since 2000" section below).

Administrative Costs

"Development and administrative costs" that do not directly relate to the provision of program component services described in the Head Start program performance standards are limited to 15 percent of total approved program costs unless a waiver is obtained from U.S. Department of Health and Human Services (HHS) approving a higher percentage. Such a waiver may only be granted for a specific period of time not to exceed 12 months. Waivers are generally limited to situations where development and administrative costs are being incurred, but the provision of actual services has not begun or has been suspended (e.g. new grantee, services disrupted due to natural disaster). Federal rules define "development and administrative costs" as the costs of organization-wide management functions such as planning, coordination, and direction; budgeting, accounting, and auditing; and management of purchasing, property, payroll, and personnel. This would include costs associated with volunteers carrying out administrative functions. An appropriate share of certain "dual benefit costs" (e.g. office space, utilities, staff that serve both program and administrative functions) that benefit both programmatic and administrative functions must be allocated to "development and administrative costs" and would apply to the 15 percent restriction.

Eligible Recipients

Provider Eligibility: A Head Start agency can be a local public or private nonprofit agency, including community-based and faith-based organizations, a for-profit agency, or a tribal government. Public agencies can, and often do, include public schools and regional educational service agencies. All agencies must be in the community in which they serve. Under Head Start rules, a "community" for this purpose can be as small as a neighborhood area or can represent a multi-county region. The key definitional criteria is that the community should have a suitable organizational base and possess a "commonality of interest" needed to operate a Head Start program. If no entity in the community is qualified to carry out a Head Start program, HHS can designate another qualified agency to deliver Head Start services on an interim basis until a qualified applicant from the community is designated. Funding is also available for agencies that serve tribal and migrant populations.

Beneficiary Eligibility: In general, at least 90 percent of the children enrolled in any Head Start program must meet income eligibility requirements. To be income eligible, a child must either: (a) have a family whose income is below the federal poverty level as determined through the most recent federal poverty guidelines; (b) have a family that is receiving or is eligible to receive public assistance under the Temporary Assistance for Needy Families or Supplemental Security Income programs; (c) be designated as homeless; or (d) be in foster care. If the Head Start agency can demonstrate that it is has established outreach and enrollment policies that ensure that all otherwise eligible children are having their needs met, then the agency may enroll an additional 35 percent of participants whose families have incomes below 130 percent of the federal poverty line.

At least ten percent of the children enrolled with each Head Start agency must be children with disabilities who are determined eligible for either special education or early intervention services as defined in the Individuals with Disabilities Education Act.

Funding and Award Process

The reauthorization of Head Start in 2007 made significant changes to the program's award process. Head Start grantees are now awarded funding under five-year grants with the federal government. At the close of the five-year grant period, Head Start grantees who are determined to be delivering "high-quality and comprehensive Head Start programs" are allowed to continue to provide services under a new five-year grant. However, those that do not meet this standard are required to compete with other potential providers for the next five-year grant. The first round of the re-competition award process was implemented in 2012 and covered one-third of the nation's Head Start providers. The process was extended to remaining providers over the following two years. HHS uses a new Designation Renewal System (DRS) to determine which Head Start providers are not providing high-quality services and will be subject to re-competition for their grant award.

Designation Renewal System and Competition Process

The DRS draws on information gathered from a newly established Aligned Monitoring System to evaluate the performance of Head Start agencies. Within the first three years of their grant periods, grantees receive five assessments that focus individually on five different core content areas: (1) Environmental Health and Safety; (2) Leadership, Governance and Management Systems; (3) Fiscal Integrity and Eligibility, Recruitment, Selection, Enrollment, and Attendance (ERSEA) processes; (4) Comprehensive Services and School Readiness; and (5) classroom quality as measured through the Classroom Assessment Scoring System (CLASS), an observational assessment tool that assesses the effectiveness of teacher-child interaction. Grantees with a history of program compliance and that pass a Head Start Key Indicator-Compliant (HSKI-C) review composed of 27 compliance measures that correlate with successful programs can be subject to a Differential Review composed only of the Environmental Health and Safety and CLASS components of the Comprehensive Review. However, these grantees would be subject to full Comprehensive Review during their next 5-year grant cycle.

The Head Start Program Performance Standards list seven conditions that would trigger a determination that an existing Head Start agency is not providing high-quality services and thus move the agency into the re-competition process:

- One or more deficiencies documented during a required monitoring review.
- Lack of appropriate school readiness goals or of appropriate data to assess progress against these goals.
- An average CLASS score in the lowest ten percent compared to all observed classrooms on any of the three domains of emotional climate, classroom organization, and instruction support.
- The revocation of the agency's license by a state or local licensing agency.
- Suspension from the Head Start or Early Head Start program by the U.S. Department of Health and Human Services.
- Debarment from receiving public funds by any federal or state department or agency; or disqualification from the Child and Adult Care Food Program.
- A finding that the agency is at risk of failing due to serious financial instability.

Selection of a Head Start grantee through the designation process is based on a number of factors cited in the Head Start Act, including past performance and effectiveness at providing Head Start-comparable services; plans to provide comprehensive services and retain and recruit sufficient high-quality staff; the capacity to employ appropriate curricula and teaching practices and meet Head Start standards; budgeting and effective fiscal management; coordination and collaboration with other early childhood stakeholders and funders; plans for parent engagement; and plans to meet the diverse needs of special populations (e.g. English learners, children with disabilities, homeless). In addition, the Head Start Program Performance Standards provide that selection will be based on an applicant's ability to demonstrate in their application the most effective Head Start program, including criteria such as:

- The cost effectiveness of the proposed program.
- The qualifications and experience of the applicant and the applicant's staff in planning, organizing and providing comprehensive child development services at the community level.
- Program quality as indicated by adherence to the Head Start Performance Standards, including employment opportunities for target area residents, career development for staff, and the direct participation of parents in the planning, conduct and administration of the program.
- The need for Head Start services in the community served by the applicant.

Funding Allocations

Funding levels for individual Head Start and Early Head Start agencies are set under a formula which allocates the overall Head Start appropriation authorized by Congress between base grants and a number of other program set-asides. Barring an overall reduction in Head Start funding, each agency is ensured to receive a hold harmless base grant equal to its base grant from the prior year. Funding is then allocated to cover various set-asides, including funding for training and technical assistance, research, evaluation, and demonstration projects, and discretionary funds to be used by HHS.

Cost of Living Adjustment

To the extent that funds remain after covering hold harmless amounts and set-asides, a cost of living increase based on the percent change in the U.S. Consumer Price Index for all urban consumers is added to each agency's base grant. If sufficient funding is not available to provide the full cost of living increase, then increases are prorated across all agencies.

Head Start Expansion and Quality Improvement Funding

If funding is sufficient to cover all set-aside and cost of living adjustments, remaining funding is allocated toward the following activities:

- **45 percent** to quality improvement activities for Head Start agencies: distribution is based on the proportionate number of children served, but up to ten percent of this allocation can be reserved by HHS to Head Start and Early Head Start agencies with the greatest demonstrated need; at least half of the allocation must be used to improve compensation and professional development for educational staff.
- **55 percent** to Head Start expansion: with 50 percent targeting traditional Head Start (with priority to states with underserved populations of children) and 50 percent targeting Early Head Start; special allocations are reserved for Indian and Migrant and Seasonal Head Start programs.

Through FY2012, funding was also set-aside for states to support start-up grants for early childhood State Advisory Councils.

Training and Technical Assistance Funding

Between 2.5 and 3.0 percent of the total Head Start appropriation each fiscal year is set-aside to support training and technical assistance activities. At least 20 percent of this set-aside is reserved for Early Head Start programs. The remaining portion supports traditional Head Start programs. For each set-aside, at least 50 percent of the total training and technical assistance amount is made available directly to Head Start and Early Head Start agencies. Agencies can use funds for a variety of activities including staff training and professional development, expert consultations, programs targeting parenting skills and support, and to support enhanced early language and literacy development programs; not less than 25 percent is allocated for state-based training and technical assistance programs; and the remainder is made available to the U.S. Department of Health and Human Services for federal technical assistance activities.

Funding to Michigan in FY2015

Table 4 below reviews total Head Start spending both nationally and in Michigan as well as to Head Start grant recipients specifically within Wayne County and the City of Detroit during FY2015. Head Start grantees in Michigan received about 3 percent of total Head Start program funding for the fiscal year. Grantees in Wayne County received about 1 percent of this total allocation, while grantees located within Detroit received about 0.5 percent of the national allocation.

Match Requirements

Generally, federal financial assistance, including any amounts provided for training and technical assistance, for any Head Start program is limited to 80 percent of the program's total costs. However, Head Start agencies that received federal financial assistance in excess of 80 percent for any agency budget period falling within federal fiscal years 1973 or 1974 are entitled to receive the same percentage of federal

Table 4
Summary of FY2015 Head Start Funding

All Head Start grantees nationwide	$8,538,887,781
Head Start grantees in Michigan	$286,012,809
Located in Wayne County	$88,723,187
Located in Detroit	$46,067,037

See **Appendix 3** for a list of all Head Start grantees in Michigan for FY2015.

Source: U.S. Department of Health and Human Services' Tracking Accountability in Government Grants System (TAGGS) database.

assistance as they received in those prior budget periods. If a grantee fails to obtain and document its required 20 percent match, a disallowance of federal funding may be taken which would require the subsequent repayment to the federal government.

Spending toward the non-federal share must be for an "allowable cost" under the same criteria as costs paid for with federal Head Start funding. Cash contributions from state, local, or private sources may be used as match, but only when expended. Generally, funding received from other federal sources is not allowable unless there is specific statutory language that allows for its use to match federal funds. Match spending must be verifiable from agency records. Volunteer time must be based on a wage scale and documented via time sheets. Donated or loaned land, space, supplies or equipment must be valued at market rates.

Waiver process

The HHS may approve waiver requests to provide financial assistance in excess of 80 percent of total costs if the Head Start agency provides the HHS with documentation of need based on at least one of the following criteria:

- Lack of community resources.
- Impact of costs the agency incurs in the initial years it operates a program.
- Impact of unanticipated cost increases the agency incurs operating a program.
- Location in a community adversely affected by a major disaster.
- Impact on the community of a cessation of Head Start services provided by the agency.

Major Program Changes since 2000

The Head Start program has been reauthorized once since the year 2000. That 2007 reauthorization of Head Start's enabling legislation brought a number of significant changes to the program's funding and award process with an emphasis on improving program quality through more rigorous accountability standards. In June 2015, HHS proposed a major revision and reorganization of the Head Start Program Performance Standards, the first since the 2007 reauthorization. Among the major provisions in the proposed rule-making is an emphasis on full-day and full-year Head Start programs. The rules would increase the minimum service requirement for Head Start agencies from 3.5 hours per day and 128 days per year to 6 hours per day and 180 days per year. The new proposed rules also streamline the extensive number of Head Start performance standards with which agencies must comply. A final rule, however, is still pending.

2007 Reauthorization of Head Start

The Improving Head Start for School Readiness Act of 2007, signed by President George W. Bush in December of that year, made a number of significant changes to the Head Start program aimed at enhancing Head Start grantee accountability and performance. Perhaps of greatest significance, the act revised the funding structure of the program to distribute Head Start funds using five-year grants and to require Head Start grantees not providing high-quality services to compete for future grant funding during the next grant cycle. The Designation Renewal System used to evaluate the performance of Head Start grantees was added to the Head Start Program Performance Standards in 2011, with the first round of competitive grant awards being conducted the following year.

The reauthorization act also enhanced teacher training and qualification requirements within the program. The act designated that all Head Start lead teachers had to have at least an associate's degree in early childhood or a related field by 2011, and that by 2013, 50 percent of these lead teachers must have at least a bachelor's degree in early childhood or a bachelor's degree in a related field and experience teaching preschool children. The HHS reported in 2014 that the bachelor's degree requirement had been achieved, with 67 percent of teachers having obtained the required bachelor's degree.

The act also provided Head Start providers with greater flexibility in serving a larger subset of low-income children by allowing grantees to fill up to 35 percent of its slots with children from families with incomes between 100 percent and 130 percent of the poverty line if the grantee can demonstrate that it is meeting the needs of all eligible children under the stricter eligibility standards with its established outreach and enrollment policies. Prior to this flexibility, at least 90 percent of children served had to come from families with incomes at or below the federal poverty line.

Lastly, the act terminated the short-lived National Reporting System (NRS), which required Head Start grantees to administer standardized testing in early literacy and mathematics to four-year old Head Start children on a semi-annual basis. The NRS was initiated in 2003 shortly after enactment of the No Child Left Behind Act which imposed similar standardized testing requirements on K-12 schools.

Head Start and the America Recovery and Reinvestment Act

Following the advent of the Great Recession, Congress moved to enact stimulus legislation designed to help kick-start the economy by increasing federal spending, with a component of that spending focused on new investments in education and infrastructure. Among these items, the American Recovery and Reinvestment Act (ARRA) of 2009 provided an additional $1.0 billion for traditional Head Start programs and another $1.1 billion allocated for Early Head Start. The new funding allowed for an expansion of services to an additional 61,000 children and family members. An allocation of $354 million was directed to improve staff compensation and training, provide for physical upgrades of Head Start centers and classrooms, as well as to allow for increased hours of operation and expanded transportation. Another $466 million provided grantees in both Head Start and Early Head Start with a boost in their overall awards of close to five percent, including increased funding for training and technical assistance activities. The ARRA funding also provided $100 million directly to states to support efforts to establish early childhood advisory councils.

Table 5
Change in Head Start Funding Between FY2003 and FY2014

	FY2003	FY2014	Percent Change
Nationwide	$6,451,044,000	$7,782,420,000	20.6%
Michigan	$228,044,810	$278,414,639	22.1%

Source: U.S. Department of Health and Human Services, *FY2014 Head Start Program Fact Sheet* and *Biennial Report to Congress, 2003*

New Directions: Birth-to-Five Funding and Early Head Start-Child Care Partnerships

In 2014, two new programs were launched that help to integrate early childhood programs across the zero-to-five age spectrum. In February, HHS awarded funding to 15 organizations in five communities across the country under a new Birth-to-Five pilot program designed to integrate Head Start and Early Head Start services. Prior to the pilot program, entities had to submit separate applications to provide traditional Head Start services to three- and four-year old children as well as Early Head Start services to infants, toddlers, and their families. The new pilot streamlines the process to allow for more integrated service delivery. Within the City of Detroit, $48 million was awarded under the pilot program to four organizations – Matrix Human Services, Metropolitan Children & Youth, New St. Paul Tabernacle, and Starfish Family Services.

Later in 2014, Congress approved a $500 million appropriation to support a new Early Head Start-Child Care Partnership grant program with the goal of promoting collaboration between existing high-quality child care providers and Early Head Start grantees in providing full-day, full-year child care and comprehensive wraparound services to very young children and their families. Grants were awarded to 275 organizations in FY2015, including five Michigan grantees: Matrix Human Services ($6.5 million) and The Order of the Fishermen Ministry Head Start ($3.8 million) in Detroit, Macomb County Community Services Agency ($1.7 million) in Clinton Township, Capital Area Community Services ($1.7 million) in Lansing, and St. Joseph County Intermediate School District ($700,000) in Centreville.

Total Head Start funding distributed to state, territorial, and tribal programs grew by around 21 percent between FY2003 and FY2014. Funding to Michigan grew at a slightly faster rate. Funded enrollment over this period has grown nationally from 909,608 children to 927,275 children, which represents total growth of 1.9 percent. However, Michigan's funded enrollment has actually dropped from 35,099 in FY2003 to 32,708 in FY2014.

Program Administration

Head Start is administered within the U.S. Department of Health and Human Services by the Office of Head Start (OHS), part of the HHS's Administration for Children and Families (ACF). Regional ACF offices administer program grant awards directly to eligible recipients, which include local public agencies, private organizations, Indian tribes, and school systems for the purpose of operating Head Start programs at the community level.

Federal-Level: Office of Head Start
Dr. Blanca Enriquez, Director – Office of Head Start
U.S. Department of Health and Human Services, Administration for Children and Families
Program information: 866-763-6481
Website: www.acf.hhs.gov/programs/ohs

Regional-Level: Region V (serving IL, IN, MI, MN, OH, and WI)
Kay Willmoth, Regional Program Manager – Office of Head Start
Region V Office – Chicago, IL
Regional office: 312-353-7562

References

Catalog of Federal Domestic Assistance summary information
https://www.cfda.gov/index?s=program&mode=form&tab=step1&id=98bf5609ee11a5a543f8f8f82f4de9f0

Head Start Act (as amended by 2007 reauthorization):
eclkc.ohs.acf.hhs.gov/hslc/standards/law/HS_Act_2007.pdf

Head Start Performance Standards (federal rules, including recent proposed 2015 rule-making):
eclkc.ohs.acf.hhs.gov/hslc/standards/hspps

Non-Federal Share Narrative Regarding Match Requirements:
eclkc.ohs.acf.hhs.gov/hslc/tta-system/operations/mang-sys/fiscal-mang/Non-Federal%20Share.htm

Head Start Biennial Report to Congress, 2013:
eclkc.ohs.acf.hhs.gov/hslc/data/rc/ohs-2013-biennial-report-to-congress.pdf

Individuals with Disabilities Education Act

CFDA 84.027 Special Education: Grants to States
CFDA 84.173 Special Education: Preschool Grants
CFDA 84.181 Special Education: Grants to Infants and Families

Program Goals and Purpose

The Individuals with Disabilities Education Act (IDEA) is the primary federal statute governing federal aid to states and local school districts for the education of children with various disabilities. The statute establishes a permanent grant program to states to help offset these educational costs and establishes parental due process rights with regard to their child's educational opportunities. The program originated in 1975 when Congress passed the Education for All Handicapped Children Act in response to growing special education costs that resulted from court decisions which established the right of children with disabilities to a free, appropriate public education. The Act was last reauthorized in 2004.

Part B of IDEA governs funding to state and local educational agencies (LEAs), which includes local school districts as well as public school academies or charter schools, for special education in the K-12 school system. General funding under Part B covers children with disabilities aged 3 to 21. An additional allocation for preschool grants is also provided in Part B and focuses specifically on disabled children aged three to five.

Part C of the Act focuses on early intervention for infants and toddlers with disabilities with the goal of minimizing the need for special education and institutionalization and maximizing independent living and the ability of families to meet their disabled child's needs. The Part C program provides grant funding to states to develop a comprehensive statewide program of early intervention services.

Eligible Activities

IDEA Part B Grant Funding

Most Part B funding to states – both the larger general allocation and the specific preschool allocation – must be passed through to LEAs. This funding is combined with state and local funds to provide free educational services to children with disabilities, with the Part B preschool grant funding specifically targeted to serve children aged 3 to 5. Funding to LEAs can only be used to pay the excess costs (those that exceed the average annual per-student expenditure for general education students) of providing special education and related services to children with disabilities. Permitted expenditures include the salaries of special education teachers and costs associated with related services personnel, such as speech therapists and psychologists. The act expressly permits spending on services and aids provided to a child with disabilities even if those services and aids also benefit non-disabled students and on the establishment of high-cost risk sharing funds or cooperatives. Funds may also be used for administrative case management costs related to special education services. LEAs may use up to 15 percent of their annual grant on early intervening services aimed at students (with a particular emphasis on students in kindergarten through grade 3) who have not been identified as needing special education services, but who do need additional academic and behavioral support to succeed in a general education environment.

LEAs may also use Part B funding to carry out a schoolwide program under Title I of the Elementary and Secondary Education Act as long as the amount used in support of the program is not greater than the total amount of Part B funding received by the LEA multiplied by the percentage of children with disabilities in the district that are participating in the schoolwide program.

State-Level Activities

Each state has the option to reserve a portion (generally up to around ten percent) of their general Part B funding to cover administrative costs and to carry out state-level activities such as technical assistance, professional development, assistive technology, and funding risk pools to assist LEAs in addressing the needs of high-cost children with disabilities. Some portion of funds reserved for state-level activities must be used for monitoring, enforcement, and complaint investigation, and to establish and implement a mediation process required under federal law, including providing for the cost of mediators and support personnel.

From preschool grant allocations, an amount that equals 25 percent of a state's FY1997 preschool allocation adjusted for inflation and historical growth over time can be reserved to cover administrative costs as well as the costs of state-level activities including support services and mediation, direct services to eligible children, state and local activities designed to meet state performance goals, and early intervention and family support services to children and families who previously received services under Part C up until the time the children are eligible to enter kindergarten.

IDEA Part C Funding

Part C funding can be used to maintain and implement a statewide system to identify, evaluate, and determine appropriate early intervention services for infants and toddlers with disabilities and to finance direct early intervention services for these infants and toddlers with disabilities and their families that are not otherwise provided by other public or private sources. Services are provided in accordance with an Individualized Family Service Plan (IFSP) adopted with the participation and consent of the child's parents. The IFSP must be reviewed at six-month intervals and is updated at least annually. Federal law requires that Part C early intervention services be provided in natural environments – which would include the child's home and other community settings common to children without disabilities – to the maximum extent possible. Part C funding can also be used to:

- Expand and improve services that are otherwise available.
- Provide a free appropriate public education, in accordance with Part B, to children with disabilities from the date they turn three years old until the beginning of the following school year.
- Continue to provide early intervention services to children with disabilities from the date they turn three years old until the time they enter or are eligible to enter kindergarten or elementary school.
- Initiate, expand, or improve collaborative efforts related to identifying, evaluating, referring, and following up on at-risk infants and toddlers in states that do not provide direct services for these children.

Michigan uses Part C dollars to fund its *Early On* system with the Michigan Department of Education acting as the state's lead agency. Eligibility for the program is determined through an evaluation by a multidisciplinary team. Children from birth through 36 months of age and who are determined to have a developmental delay or who are diagnosed with an established physical or mental health condition that has a high probability of resulting in developmental delay are eligible for services under Michigan guidelines. Michigan has not elected to utilize the discretion provided in federal law to serve at-risk infants and toddlers or children with disabilities that reach three years of age with Part C funding. Michigan intermediate school districts serve as local lead agencies at the regional level to administer the delivery of early intervention services within the *Early On* system.

Eligible Recipients

Applicant Eligibility: State educational agencies in the states, the District of Columbia, and specified U.S. territories are eligible for Part B funding. Indian tribes are served under an allocation of funding administered by the U.S. Department of Interior. To be eligible for Part B funding, states must submit a plan that provides assurances that the state will meet various conditions, including:

- Free appropriate public education will be available to all children with disabilities between the ages of 3 and 21 to the extent that age range is consistent with state law with respect to public education for all children.
- *Child Find* requirements: the state shall ensure that it has processes and methods in place to identify, locate, and evaluate all children with disabilities residing in the state who are in need of special education services and determine which children are and are not receiving services.
- An individualized education program (IEP) is developed, reviewed, and revised for each child with a disability.
- Children with disabilities are educated in the least restrictive environment that is appropriate.
- Special education services are made available to children in private schools within the school district served by the LEA.
- The state has in place a state advisory panel with membership representative of the state population, including parents, disabled individuals, teachers, public officials, and a diverse group of other key stakeholders to provide policy guidance with respect to special education services.

Part C funding is available to state agencies designated as lead state agencies for the federal Part C program; in Michigan, the Department of Education serves this role for Part C grant dollars. To maintain eligibility, a state must provide additional assurance that it has adopted a policy that appropriate early intervention services are available to all infants and toddlers with disabilities in the state and has in place a statewide system to identify and evaluate infants and toddlers. The statewide system must include a *Child Find* component consistent with the requirements for Part B funding, qualification standards for personnel that provide early intervention services, and a public awareness program aimed at the early identification of infants and toddlers with disabilities and the dissemination of information on early intervention services funded through the Part C grant.

Local LEAs must also provide a plan to the state that assures that the LEA will comply with federal law and the provisions of the state's plan.

Beneficiary Eligibility: Part B funding can serve children with disabilities aged three to 21 years old that are eligible to receive a free public education under state laws. The act defines a "child with disabilities" to include a child with mental retardation, hearing impairments, speech or language impairments, visual impairments, serious emotional disturbance, orthopedic impairments, autism, traumatic brain injury, other health impairments, or specific learning disabilities who needs special education and related services because of that disability. For young children aged three to nine, the definition can include a child needing special education and related services due to a developmental delay as measured by an appropriate diagnostic instrument or procedure. The specific Part B preschool allocation must be used to serve children aged three to five years; states have additional discretion to serve two-year old children with Part B Preschool funds if those children will reach three years of age during the school year.

Funding under Part C is primarily designed to benefit infants and toddlers with a disability, which includes children under three years of age who require early intervention services because of a developmental delay or a diagnosed physical or mental health condition that has a high probability of resulting in developmental delay. States also have discretion to use Part C funds to serve infants and toddlers deemed to be "at-risk" of developmental delay in the absence of early intervention services as well as to continue early intervention services to children already receiving Part C support until those children are eligible to enter kindergarten or elementary school. Michigan, however, does not use Part C funding for these discretionary populations.

Funding and Award Process

Grants awarded under Part B and Part C of the IDEA have somewhat different allocation processes.

IDEA Part B

Funding to states is distributed based on a complex formula that ensures states receive a fixed amount of hold harmless funding from prior years and distributes growth in IDEA appropriations based on the state's population of children.

Funding allocations for general Part B grants and for preschool grants are quite similar. For the general Part B allocations, each state is guaranteed funding equal to the amount it received in FY1999 and is also guaranteed to receive at least as much as it received in the prior fiscal year. Any growth in total appropriations available for distribution to states is distributed in the following manner:

- **85 percent** is allocated based on each state's relative share of children within the three to 21 year age range that are ensured a free appropriate public education under that state's laws.
- **15 percent** is allocated based on each state's relative share of children within that state's age range living in poverty.

If the appropriation is not greater than the previous fiscal year's appropriation, each state's grant is equal to its FY1999 allocation, plus a share of the additional funds proportionate to its share of total funds from the preceding fiscal year. There are also several minimum and maximum grant restrictions aimed at equalizing funding between states with the largest and smallest eligible populations.

A state's Part B preschool allocation is determined in a similar fashion, except that the hold harmless minimum allocation is based on the greater of its allocation from the previous fiscal year and its allocation in FY1997, rather than FY1999 as with the regular Part B grant. Any available growth in total appropriations is then distributed to states under the following formula:

- **85 percent** is allocated based on each state's relative share of children within the three to five year age.
- **15 percent** is allocated based on each state's relative share of children within that age range living in poverty.

As with the regular Part B grant allocation, minimum and maximum grant restrictions apply to promote greater equity in these allocations across states with different-sized populations.

States may reserve a portion of their Part B grants for state administrative costs and for other state-level activities such as monitoring, professional development, and establishing risk pools to serve particularly high-cost children. Remaining funding is then subgranted to LEAs to support the education of students with disabilities. The distribution formula used to allocate funding to LEAs is very similar to the state-level formula. LEAs are guaranteed base funding based on a calculated base payment in FY1999 (or FY1997 for the Part B preschool allocation). Funding beyond that needed to cover base payments are distributed to LEAs based 85 percent on the district's total K-12 enrollment and 15 percent on the relative number of children within the district living in poverty. States, however, may reallocate dollars from districts that it determines are adequately providing a free, appropriate public education to all children with disabilities residing in its service area.

Maximum State Awards: Statute establishes a maximum amount that any state may receive under Part B. The base amount for this maximum is calculated by multiplying the number of children with disabilities between 3 and 21 years of age who received special education services in the relevant state during the 2004-05 school year by 40 percent of the average per-pupil expenditure in public K-12 schools. This base amount is then adjusted annually to account for weighted growth in the total number of special education students and the total number of these students living in poverty. Overall funding, however, has fallen well short of the amount needed to support these maximum grant levels. Thus, the cap does not play a role in actual distributions.

IDEA Part C

State allocations under Part C are made from funding that remains available after statutory distributions to cover tribal governments and U.S. territories. State allocations are based on the relative number of children in the general population of each state from birth through two years of age. As with Part B, minimum allotment provisions apply for states with smaller populations. Funds become available for obligation on July 1 of the fiscal year in which they are appropriated and remain available through September 30 of the following year.

Table 6 summarizes total grant funding distributed nationally under both Part B and Part C, as well as Michigan's state-level allocation and the amount granted out of Michigan's Part B allocations to the Wayne County RESA that administers special education funding in Wayne County.

Table 6
Summary of FY2015 Funding under IDEA

	Part B Formula	Part B Preschool	Part C
Nationwide	$11,497,848,000	$353,238,000	$438,556,000
Michigan	$394,755,681	$11,702,799	$11,871,739
Wayne County RESA	$65,468,230	$1,802,376	$1,374,948

See **Appendix 4** for FY2015 allocations to all intermediate school districts.

Source: Michigan Department of Education

Match Requirements

There are no matching requirements for this program. However, maintenance of effort (MOE) and non-supplantation requirements apply to both states and LEAs. Part B funds must be used to supplement and not supplant other federal, state, and local funds used for special education and related services unless clear and convincing evidence exists that all children within the relevant state or LEA have available to them a free appropriate public education and the state is granted a waiver from the federal government as a result.

States and LEAs must also agree not to reduce the amount of state and local financial support for special education and related services below the amount of that support for the preceding fiscal year. Part B funds will be reduced in the following year by the same amount in which the state or LEA fails to meet this requirement. The federal government may grant a waiver from this requirement for states in exceptional circumstances. The IDEA also provides for exceptions to the maintenance of effort requirement for LEA; for instance, due to decreased enrollment of children with disabilities or when a child that had been provided exceptionally costly services leaves the LEA's jurisdiction.

Major Program Changes since 2000

The Individuals with Disabilities Education Act was last reauthorized in 2004, with provisions that became effective in July 2005. The reauthorization act made significant changes to the law. Some of the major changes included:

- Clarifying that a state's obligation to provide a free appropriate public education to children with disabilities who need special education services applies even if the child had not failed or been retained and is advancing from grade to grade.
- Clarifying a LEA's obligation to provide equitable special education services to children who are parentally-placed in private schools.
- Creating new definitions and requirements for "highly qualified special education teachers" aligned with general requirements created under the No Child Left Behind Act.
- Authorizing spending on early intervening services for children not identified as needing special education services but who need additional support in a general education setting, with an emphasis on young children in kindergarten through 3rd grade; LEAs with disproportionality in terms of children from certain racial or ethnic backgrounds being overrepresented in special education must utilize at least 15 percent of Part B funding on early intervention.
- Changing provisions regarding student discipline of children with disabilities who violate student conduct codes and requiring an evaluation and appropriate interventions if it is determined the behavioral issues were caused by or related to the child's disability before any changes are made to a child's placement; allowing removal to an alternative setting for up to 45 days in cases where the child has inflicted "serious bodily harm."
- Requiring new transition planning within the IEP process by the time the child turns 16 years of age; also provides flexibility to amend IEPs without convening a physical meeting.

Total federal funding under IDEA Part B more than doubled between FY2000 and FY2015, with Michigan's formula allocation increasing at a slightly faster rate than the nation as a whole. However, the funding for the preschool allocation fell both nationally and in Michigan during that time period. Under Part C, while federal funding increased by almost 17 percent over the same period, the allocation to Michigan fell slightly.

Table 7
Change in IDEA Part B Regular Funding Between FY2000 and FY2015

	FY2000	FY2015	Percent Change
Nationwide	$4,989,685,000	$11,497,848,000	230.4%
Michigan	$168,624,335	$394,755,681	234.1%

Source: U.S Department of Education annual funding tables

Table 8
Change in IDEA Part B Preschool Funding Between FY2000 and FY2015

	FY2000	FY2015	Percent Change
Nationwide	$390,000,000	$353,238,000	-9.4%
Michigan	$12,853,643	$11,702,799	-9.0%

Source: U.S Department of Education annual funding tables

Table 9
Change in IDEA Part C Funding Between FY2000 and FY2015

	FY2000	FY2015	Percent Change
Nationwide	$375,000,000	$438,556,000	16.9%
Michigan	$12,028,661	$11,871,739	-1.3%

Source: U.S Department of Education annual funding tables

Program Administration

At the federal level, the grant programs under IDEA are administered within the U.S. Department of Education. The Michigan Department of Education serves as Michigan's lead agency.

Federal-Level
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State-Level
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Website: www.michigan.gov/mde/0,4615,7-140-6530_6598-113565--,00.html

Lisa Wasacz, Early Childhood Special Education Coordinator
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Website: www.michigan.gov/mde/0,1607,7-140-43092-127146--,00.html

Vanessa Winborne, Part C Coordinator
Michigan Department of Education
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E-mail: winbornev@michigan.gov
Website: www.michigan.gov/mde/0,4615,7-140-63533-127141--,00.html

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Individuals with Disabilities Education Act:
idea.ed.gov/download/statute.html
IDEA Federal Regulations:
idea.ed.gov/download/finalregulations.pdf
Michigan Part B Formula Grant Level for 2014-2015:
www.michigan.gov/documents/mde/2014-2015_IDEA_Part_B_Formula_Grants_-_Initial_468397_7.pdf
2015 Report to Congress:
www2.ed.gov/about/reports/annual/osep/2015/parts-b-c/37th-arc-for-idea.pdf

Program Information:
Part B Grants:
www2.ed.gov/programs/osepgts/index.html
Part C Grants:
www2.ed.gov/programs/osepeip/index.html

Maternal, Infant, and Early Childhood Home Visiting Program

CFDA 93.870 Maternal, Infant, and Early Childhood Home Visiting Program
CFDA 93.872 Tribal Maternal, Infant and Early Childhood Home Visiting Program

Program Goals and Purpose

The Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV) program provides grants to states, territories, and eligible tribal entities to support the development and implementation of voluntary, evidence-based home visiting services for families with young children and at-risk pregnant women. Home visiting services are delivered by a trained professional home visitor such as a nurse, social worker, or early childhood teacher. The program is authorized under Section 511, Title V of the Social Security Act which was added as part of the federal Patient Protection and Affordable Care Act signed into law in March 2010. The statute outlines three purposes for the program:

- To strengthen and improve the programs and activities carried out under the federal Maternal and Child Health Block Grant program.
- To improve coordination of services for at risk communities.
- To identify and provide comprehensive services to improve outcomes for families who reside in at risk communities.

States and other eligible entities must spend at least 75 percent of grant funding to implement services under one or more "evidence-based home visiting models". Up to 25 percent of funding can also be expended to implement newer "promising approaches" subject to rigorous follow-up evaluation requirements.

Eligible Activities

Federal law requires that the majority of grant funding be used for the delivery of home visiting services through implementation of one or more established national evidence-based home visiting models that have demonstrated positive outcomes when evaluated using rigorous statistical methods, including either randomized controlled or quasi-experimental research designs. Currently, the federal government has identified 17 national models that meet this criteria. Grant recipients may expend no more than 25 percent of the grant award for conducting and evaluating a program using a service delivery model that qualifies as a promising approach. Promising approaches must have been developed or identified by a national organization or institution of higher education and are subject to a rigorous follow-up evaluation.

Federal law also requires that a home visiting program meet other additional requirements. Each program must:

- Employ well-trained and competent staff, such as nurses, social workers, educators, child development specialists, for home visiting and ensure that staff are provided with ongoing and specific training on the model being delivered.
- Maintain high quality supervision to establish home visitor competencies.
- Demonstrate strong organizational capacity to implement the activities involved.
- Establish appropriate linkages and referral networks to other community resources and supports for eligible families.
- Monitor the fidelity of program implementation to ensure that services are delivered pursuant to the specified national evidence-based model.

Administrative Costs and Other Restrictions

No more than ten percent of the award amount may be spent on administrative expenditures. MIECHV funding cannot be used to support the delivery or costs of direct legal, medical, dental, or mental health services, particularly those medical, dental, or mental health services provided by primary care providers in a clinical setting. Some limited health-related services may be provided to the extent that they are a component of an evidence-based model that meets the HHS criteria for evidence of effectiveness.

Eligible Recipients

Applicant Eligibility: Grant funding is available to states, Indian tribes or tribal organizations, and specified U.S. territories. If a state had not applied or been approved for grant funding as of the beginning of FY2012, a nonprofit organization with an established record of providing early childhood home visitation programs or initiatives can be awarded a grant to implement a program in the relevant state. The nonprofit organization is to operate a program in a manner consistent with requirements applicable to states.

Statewide Needs Assessment

To be eligible for the receipt of grant funds, states must conduct a statewide needs assessment to identify communities within the state with the highest concentrations related to eight risk factors:

1. Premature births, low-birth weight infants, and infant mortality
2. Poverty
3. Crime
4. Domestic violence
5. High drop-out rates at the high school level
6. Substance abuse
7. Unemployment
8. Child maltreatment

The needs assessment is also charged with evaluating the quality and capacity of existing programs for early childhood home visitation and substance abuse treatment and counseling including the number of families served, unmet needs of eligible families, and gaps in service within the state. The results of the needs assessment must be submitted to the U.S. Department of Health and Human Services and must outline how the state proposes to address the needs identified by the assessment, with priority placed on communities facing the greatest prevalence of the eight risk factors.

Evaluation and Benchmarks

States and other eligible entities must also establish measurable three- and five-year benchmarks to demonstrate program effectiveness for participating eligible families in generating improvements in the following areas:

- Maternal and newborn health.
- Prevention of child injuries, child abuse, neglect, or maltreatment, and reduction of emergency department visits.
- School readiness and achievement.
- Reductions in crime or domestic violence.
- Family economic self-sufficiency.
- Coordination and referrals for other community resources and supports.

Follow-up reports must document that improvements were achieved in at least four areas after the third year of the program or the state or eligible entity will be required to submit a corrective action plan to address program deficiencies.

Beneficiary Eligibility: The program may serve all eligible families. An eligible family includes a parent or other primary caregiver (e.g. grandparents, relatives, foster parents) of a child from birth to kindergarten entry; a noncustodial parent of such a child that has an ongoing relationship with the child and at times provides physical care for the child; and a pregnant woman and an available father of the child.

However, federal law provides that priority shall be given to eligible families that meet the following criteria:

- Reside in communities of need as identified by the statewide needs assessment.
- Have low income.
- Are pregnant women who have not attained age 21.
- Have a history of child abuse or neglect or have had interactions with child welfare services.
- Have a history of substance abuse or need substance abuse treatment.
- Have users of tobacco products in the home.
- Are or have children with low student achievement.
- Have children with developmental delays or disabilities.
- Include individuals who are serving or formerly served in the Armed Forces, including such families that have members of the Armed Forces who have had multiple deployments outside of the United States.

In addition, grantees will give priority to providing home visiting services to eligible families that are homeless or at-risk for homelessness and eligible families that include individuals who represent tribal and/or urban American Indian/Alaska Native populations.

Funding and Award Process

Through the first several years of the MIECHV program, program funding was provided through a combination of formula-based grants and competitive grants with the goal of establishing and then expanding home visiting programs. The funding process has been revised for FY2016 and shifted to a formula-based distribution to promote funding stability and the sustainability of current programming. Total MIECHV funding of $345 million will be awarded in two components: (a) Base Need funding; and (b) Structured Stability funding.

Base Need Funding

About $126 million (approximately 37 percent of the total grant allocation) will be distributed based on the proportion of children under five years of age in each state or territory that are living in poverty as calculated by the U.S. Census Bureau's Small Area Income and Poverty Estimates (SAIPE). However, each state is guaranteed at least a $1 million minimum allocation from this funding pool.

Structured Stability Funding

Another $216 million (approximately 63 percent of the total grant allocation) is distributed based on the average of the grantee's competitive awards in federal fiscal years 2013, 2014, and 2015 as a proportion of total competitive awards funded during that period.

Innovation Grants

Around $18 million in MIECHV funding is reserved for up to 15 competitive grant awards aimed at promoting innovation by MIECHV grantees.

MIECHV Funding to Michigan

Through the FY2015 grant period, Michigan has been awarded a combined $37.9 million in MIECHV funding to expand home visiting services in the state. Michigan employs four different national models that meet the federal government's "evidence-based" criteria: Early Head Start Home Visiting, Healthy Families America, Nurse Family Partnership, and Parents as Teachers. The state also utilizes the Maternal Infant Health Program which focuses on Medicaid-eligible pregnant women and infants and meets the "evidence-based" definition contained in the state's home visiting statute. Michigan's needs assessment initially identified ten Michigan counties as having the greatest concentration of risk based on the ten risk factors required under the federal statute and three additional state-level indicators (presence of an urban center in the county and high proportions of either African-American or American Indian populations in the county). Those counties are Genesee, Wayne, Saginaw, Calhoun, Ingham, Kalamazoo, Muskegon, Berrien, Kent, and St. Clair. Beginning in FY2010, these counties have received technical assistance funding to improve local readiness for an expansion of home visiting services as well as direct support for direct service expansion. Since program launch, MIECHV funds have also been utilized to expand services in Oakland County.

Table 10
MIECHV Funding to Michigan through FY2015

Fiscal Year	Formula Grant	Competitive Grant
2010	$2,133,673	
2011	$3,015,935	$5,395,805
2012	$3,013,935	
2013	$3,232,969	$14,400,000
2014	$3,194,711	
2015	$3,508,188	
TOTAL	**$18,117,411**	**$19,795,805**

Source: U.S. Department of Health and Human Services, Health Resources and Services Administration

Statewide, other federal, state, local and private funding sources are utilized to supplement MIECHV funding, including Medicaid, Early Head Start grant funding, and state School Aid Fund appropriations. With this funding, home visiting programs are currently available in each county in the state. The state's most recent report to the legislature suggests that over 25,000 pregnant women and over 25,000 children received home visiting services during 2014.

Match Requirements

The program has no matching requirements. However, states and other eligible entities must provide assurance that MIECHV funding will supplement, and not supplant, funds from other sources for early childhood home visitation programs or initiatives. Grant recipients must also agree to maintain sources of non-federal funding used for evidence-based home visiting and home visiting initiatives, including in-kind contributions, at a level which is not less than expenditures for such activities as of the most recently completed state fiscal year. Penalties for reducing state effort below the MOE level would be a proportionate reduction in MIECHV funds. MIECHV funds would be reduced by no less than the same percentage reduction applied to non-federal/state expenditures to ensure that the federal government's share of program costs does not increase.

Major Program Changes since 2000

The MIECHV program was created as part of the Affordable Care Act legislation enacted in 2010. The original act provided $1.5 billion in total over the five fiscal years between FY2010 and FY2014 – a huge increase over the $13.9 million appropriated in FY2009 for home visiting. The number of models meeting "evidence-based" standards has expanded since the program was launched, and Congress recently reauthorized program funding through FY2017. On the state level, Michigan has enacted its own state law regarding voluntary home visiting programs that largely incorporates MIECHV's evidence-based standards.

Michigan Home Visiting Law – Public Act 291 of 2012

The new Michigan home visiting statute was designed to model the Federal MIECHV legislation in directing federal and state funding to evidence-based models that have been subject to rigorous evaluation. Like the federal law, Public Act 291 defines the qualifications for evidence-based programs based on national models that have undergone thorough empirical review. It also defines "promising programs" as models with data or evidence demonstrating effectiveness at achieving positive outcomes that are either in the process of evaluation or have a plan to be evaluated. Finally, the act requires state agencies and stakeholders involved in the state's home visiting program to compose a collaborative report on state- and federally-funded home visiting for legislative review. The new law provides state-level guidance for multiple federal and state funding sources that supplement the MIECHV grant in supporting home visiting programs, including Medicaid, Community-Based Child Abuse Prevention (CBCAP) funding, and other state programs funded through School Aid and general fund appropriations.

Federal Reauthorization

In April 2015, Congress approved annual continuation funding of $400 million per year for FY2016 and FY2017 to maintain the MIECHV program. This followed a temporary extension of the program through March 2015.

Program Administration

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mchb.hrsa.gov/programs/homevisiting/models.html

Michigan At-Risk Funding

State-Funded Program

Program Goals and Purpose

Section 31a of the State School Aid Act provides categorical grant funding to local school districts to support educational programs to assist students at risk of academic failure. At-risk funding has been appropriated in the School Aid Act since the passage of Michigan's Proposal A of 1994, which reformed Michigan's school finance system. Recent changes to authorizing language establish two key legislative purposes for the grants: (1) to ensure that pupils are proficient in reading by the end of the 3rd grade; and (2) that high school graduates are both career and college ready. The FY2016 budget contains $379 million in funding for the grant program.

Eligible Activities

At-risk grant funding must be used to provide instructional and direct non-instructional services for "at-risk pupils" (see "Beneficiary Eligibility" below). Non-instructional services include services such as mental health, medical, or counseling services. Funding can be used to provide these services either during the regular school day; before or after regular school hours; or during additional school days beyond the regular school year. In addition, the Detroit Public Schools along with any district (including Michigan's Education Achievement Authority) or public school academy (charter school) in which at least 50 percent of pupils meet the income eligibility criteria for free breakfast, lunch, or milk under the federal School Lunch Act is allowed to use up to 20 percent of its at-risk grant funding on school security. An eligible entity that operates a school breakfast program must use up to $10 per pupil from grant funding to pay costs towards the operation of the breakfast program. The School Aid Act also authorizes the use of grant dollars for anti-bullying or crisis intervention programs.

In schools with 40 percent or more pupils identified as at-risk, a recipient may use at-risk grant funding to implement schoolwide reforms by providing supplemental instructional and non-instructional services that are consistent with a school improvement plan.

Mandated Activities Related to 3rd Grade Reading and High School Performance

New language added in FY2015 requires grant recipients to meet two new program goals based on the results of state assessments:

- At least 50 percent of its at-risk pupils must be reading at grade level by the 3rd grade.
- Improvement must be achieved for three consecutive years in the percentage of at-risk pupils that are determined to be college- and career-ready based on language arts, mathematics, and science content tested in the 11th grade.

Grant recipients that fail to meet either of the goals must engage in mandated spending from at-risk grant dollars to address these deficiencies. Mandated spending levels are based on the percentage of pupils that fail to meet the goals. Affected districts, academies, or achievement systems must:

- Calculate the percentage of 3rd graders that were not reading at grade level and spend one-half of this percentage of at-risk grant funding on tutoring or other methods of improving reading levels.
- Calculate the percentage of 11th graders that were not college- and career-ready and spend one-half of this percentage of at-risk grant funding on tutoring and other activities to improve scores on the college entrance examination component of the Michigan Merit Examination.

To illustrate the potential impact of the mandates, if 60 percent of 3rd graders and 60 percent of 11th graders within a district failed to meet these goals, respectively, the district would need to allocate 30 percent of its annual at-risk funding to address 3rd grade reading and 30 percent to address high school college- and career-readiness.

Eligible Recipients

Applicant Eligibility: Traditional public school districts, public school academies, and the Education Achievement Authority (EAA) are eligible for at-risk grant funding. The EAA is a special authority created as part of an inter-local agreement between Eastern Michigan University and the Detroit Public Schools with the goal of improving academic performance within low-achieving schools. It began operations in 2013 and currently oversees 15 schools within the City of Detroit. The EAA's authority expires at the end of the 2016-17 school year. Eligible entities receive section 31a formula grants if their district's per-pupil foundation allowance is at or below the state's basic per-pupil foundation allowance, which represents the maximum per-pupil funding level that the state will guarantee within Michigan's school finance system. This includes the great majority of Michigan school districts and public school academies with only 44 districts having a foundation allowance that exceeded the basic allowance in FY2016.

Recipients must also implement, for at least kindergarten through 3rd grade levels, a "multi-tiered system of supports" that is an evidence-based model and uses data-driven problem solving to integrate academic and behavioral instruction. The model must also use interventions that vary in intensity based on pupil needs with all of the following essential elements:

- Implements effective instruction for all learners.
- Intervenes early.
- Provides a multi-tiered model of instruction and intervention that provides the following:
    - A core curriculum and classroom interventions available to all pupils that meet the needs of most pupils.
    - Targeted group interventions.
    - Intense individual interventions.
- Monitors pupil progress to inform instruction.
- Uses data to make instructional decisions.
- Uses assessments including universal screening, diagnostics, and progress monitoring.
- Engages families and the community.
- Implements evidence-based, scientifically validated, instruction and intervention.
- Implements instruction and intervention practices with fidelity.
- Uses a collaborative problem-solving model.

All grant recipients must also submit an annual report on the use of grant dollars to the Michigan Department of Education.
Beneficiary Eligibility: Grant expenditures must generally benefit "at-risk pupils". The School Aid Act defines an at-risk pupil to be a pupil for whom the district has documentation that the pupil meets at least one of the following criteria:

- Is a victim of abuse or neglect.
- Is a pregnant teenager or teenage parent.
- Has a family history of school failure, incarceration, or substance abuse.
- Did not achieve proficiency on the English language arts, mathematics, science, or social

studies content area assessment for pupils who have received results on the state summative assessment.

- Is a pupil who is at risk of not meeting the district's core academic curricular objectives in English, language arts, or mathematics as demonstrated on local assessments.
- Is enrolled in a priority or priority-successor school, as defined in Michigan's waiver under the Elementary and Secondary Education Act of 2001.
- For pupils with no state or local assessment data, meets at least two of the following criteria, as documented by the Department of Education:
    - Is eligible for free or reduced price breakfast, lunch, or milk.
    - Was absent more than 10 percent of enrolled days or ten school days during the school year.
    - Is homeless.
    - Is a migrant.
    - Is an English language learner.
    - Is an immigrant who has immigrated within the immediately preceding three years.
    - Did not complete high school in four years and is still continuing in school as identified in the Michigan cohort graduation and dropout report.

Funding and Award Process

Each eligible district, public school academy, or achievement school that is eligible for an at-risk grant receives a grant based on a "full funding" grant level equal to (1) the number of pupils within the district, academy, or achievement school that met eligibility criteria for free breakfast, lunch, or milk under the federal School Lunch Act; multiplied by (2) the district, academy, or EAA's foundation allowance.

Actual grant payments, however, are prorated based on available appropriated funding for the program. In FY2016, eligible entities received about $636 per eligible student – about 74 percent of the "full funding" formula amount. **Table 11** reviews FY2015 grant awards made under the at-risk program and provides specific grant amounts for the Detroit Public Schools as well as for the Detroit schools that are operated under the Education Achievement Authority. DPS received just under seven percent of the total statewide grant allocation, while the 15 Detroit EAA schools received about 0.8 percent of statewide funding.

Table 11
Summary of FY2015 Section 31a At-Risk Grant Allocations

	Funding
Statewide Grant Funding	$308,988,200
Detroit Public Schools	$20,450,824
Education Achievement Authority	$2,475,933

Source: Michigan Department of Education

Match Requirements

There are no match requirements for the grant program.

Major Program Changes since 2000

Significant changes to grant funding guidelines have been implemented over the last two state budget cycles. The FY2015 budget added the new mandated spending requirements for grant recipients that fail to meet one of the two performance goals outlined in the "Eligible Activities" sections above.

The FY2016 budget added the new requirement that all grant recipients implement an evidence-based multi-tiered system of supports. Further, language provisions expanded the definition of "at-risk pupil" to include students not achieving proficiency on content portions of the annual state summative assessment; students at-risk of not meeting locally-determined core academic objectives; and students eligible for reduced-price breakfast, lunch, or milk (previously the definition only included students eligible for free breakfast, lunch, or milk).

Total funding for at-risk grants increased by 14 percent between FY2000 and FY2015. However, the current year FY2016 budget contained a significant increase in at-risk funding bringing total grant funding up to $379.0 million – a 22.6 percent increase over the FY2015 funding level.

Table 12
Change in At-Risk Funding Between FY2000 and FY2015

	FY2000	FY2015	Percent Change
At-Risk Grant Funding	$270,920,000	$308,988,200	14.0%

Program Administration

Section 31a grants are funded wholly by the State of Michigan. The grant program is administered by the Michigan Department of Education.

State-Level
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Michigan Department of Education At-Risk Grant Program Summary:
www.michigan.gov/documents/Section_31a_Legislation_37026_7.pdf

Final Section 31a Allocations for FY2015:
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Race to the Top- Early Learning Challenge

CFDA 84.412 Race to the Top – Early Learning Challenge

Program Goals and Purpose

The Race to the Top- Early Learning Challenge (RTT-ELC) program was implemented with the goal of improving the quality of early learning and development and closing educational achievement gaps between "children with high needs" and their peers. Grants under the program were designed to assist states in improving early learning programs by supporting initiatives to:

- Increase the number and percentage of low-income and disadvantaged infants, toddlers, and preschoolers who are enrolled in high-quality early learning programs;
- Design and implement an integrated system of high-quality early learning programs and services; and
- Ensure that any use of assessments conforms to the recommendations of the National Research Council's reports on appropriate assessments for young children.

Grant funding is intended to focus on five key areas of reform to achieve the above goals. Selection criteria within each of these key areas are utilized in evaluating applications. The five reform areas are:

1. **Establishing Successful State Systems** by building on the state's existing strengths, ambitiously moving forward the state's early learning and development agenda, and carefully coordinating programs across agencies to ensure consistency and sustainability beyond the grant.
2. **Defining High-Quality, Accountable Programs** by creating a common tiered quality rating and improvement system that is used across the state to evaluate and improve program performance and to inform families about program quality.
3. **Promoting Early Learning and Development Outcomes for Children** to develop common standards within the state and assessments that measure child outcomes, address behavioral and health needs, and inform, engage and support families.
4. **Supporting a Great Early Childhood Education Workforce** by providing professional development, career advancement opportunities, appropriate compensation, and a common set of standards for workforce knowledge and competencies.
5. **Measuring Outcomes and Progress** so that data can be used to inform early learning instruction and services and to assess whether children are entering kindergarten ready to succeed in elementary school.

The grant program was authorized through amendments to the American Recovery and Reinvestment Act (ARRA) of 2009. Multi-year grants were awarded to states through three competitive grant competitions administered in 2011, 2012, and 2013. While grant funding remains active in many states, there is currently no authorization to make new awards under the program.

Eligible Activities

States that were awarded grants must use grant funding to address one of the five key reform areas noted in the previous section. All applications must describe how the state will meet the program's absolute priority of promoting school readiness for children with high needs by doing the following:

- Building a system that increases the quality of early learning and development programs to enhance kindergarten readiness.
- Integrating and aligning resources and policies across participating state agencies

- Implementing a statewide Tiered Quality Rating and Improvement System.
- Making strategic investments within each of the five key focus areas that the state believes will best prepare children with high needs for kindergarten success.

States may also elect to address any of four competitive preference priorities to enhance the standing of its applications. Competitive preference priorities include activities to:

- Expand the coverage of state licensing and inspection programs and the Tiered Quality Rating and Improvement System to all early learning and development programs.
- Implement an effective statewide kindergarten entry assessment that informs instruction and services in early elementary grade levels.
- Improve the quality, alignment, and continuity of teaching and learning to service children from preschool through third grade.
- Implement approaches to address the unique needs of children in rural areas in order to close educational and opportunity gaps for children with high needs.

Finally, states may elect to encourage public-private partnerships to leverage private financial support for the implementation of the state plan.

Restrictions

No RTT-ELC grant funding can be spent on the direct delivery of health services. Of the funding awarded, states are required set aside $400,000 for participation in technical assistance and collaboration on best practices.

Eligible Recipients

Applicant Eligibility

State governors were eligible to apply for funding on behalf of their states. Grant eligibility included all 50 states, as well as the District of Columbia, and the Commonwealth of Puerto Rico. States could only receive one grant under the program.

In order to be eligible, state lead agencies had to execute memoranda of understanding with participating agencies that assure all agencies will use: (a) a set of statewide early learning and development standards and program standards; (b) a statewide Tiered Quality Rating and Improvement System to evaluate early learning program quality; and (c) a statewide Workforce Knowledge and Competency Framework.

Finally, states had to agree to maintain an operational Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program and have an operational State Advisory Council on Early Childhood Education.

Beneficiary Eligibility

State efforts under the grant program must focus on "children with high needs". Federal law and regulation define "children with high needs" to include children from birth through kindergarten entry who are from low-income families (with incomes at or below 200 percent of the federal poverty level) or otherwise in need of special assistance and support, including children who have (a) disabilities or developmental delays; (b) who are English learners; (c) who reside on "Indian lands"; (d) who are migrant, homeless, or in foster care; and (e) other children as identified by a state in its program application.

Funding and Award Process

The federal government awarded $497 million through the RTT-ELC grant to nine states in FY2010, and another $133 million to five states in FY2011. Michigan and five other states shared $370 million in combined awards during the program's final grant competition in FY2013.

Selection Criteria

Applications were evaluated and funding was awarded based on evidence submitted with a state's application that its state plan under the grant proposal met relevant selection criteria. Two "core areas" were included as selection criteria for all grant competitions. These criteria were:

1. Successful State Systems:
   - Demonstrating past commitment to early learning and development for children with high needs.
   - Articulating the state's rationale for its early learning and development reform agenda.
   - Aligning early learning and development across the entire state.
   - Developing a budget to implement and sustain grant work, including after the expiration of the RTT-ELC grant.

2. High-Quality, Accountable Programs:
   - Developing and adopting a common statewide Tiered Quality Improvement and Rating System.
   - Validating its effectiveness.
   - Promoting participation in that system.
   - Rating and monitoring early learning and development programs.
   - Promoting access to high-quality programs by children with high needs.

Applications were then evaluated based on other non-core areas. For non-core areas, states would select a specified number of selection criteria within each non-core area. These areas include:

1. Promoting Early Learning and Development Outcomes (evaluated on any two or more of the following criteria):
   - Developing and using statewide, high-quality early learning and development standards.
   - Supporting effective uses of comprehensive assessment systems.
   - Identifying and addressing the health, behavioral, and developmental needs of children with high needs to improve school readiness.
   - Engaging and supporting families.

2. Great Early Childhood Education Workforce (evaluated on any one or more of the following criteria):
   - Developing a workforce knowledge and competency framework.
   - Supporting early childhood educators in improving knowledge, skills, and abilities.

3. Measuring Outcomes and Progress (evaluated on any one or more of the following criteria):
   - Understanding the status of children's learning and development at kindergarten entry.
   - Building and enhancing an early learning data system to improve instruction, practices, services, and policies.

Michigan's RTT-ELC Grant

In 2013, Michigan was one of six states to be awarded funding under that year's competitive grant competition. Michigan received grant funding of $51.7 million to implement enhancements to various elements of its early childhood system as reflected in the state's *Great Start, Great Investment, Great Future* plan issued in 2013. Grant funding to Michigan will remain available through December 31, 2017. The plan builds on a single set of four early childhood outcomes established within a 2011 executive order issued by Governor Rick Snyder. These outcome measures will be used to evaluate all public investments in early childhood programs:

- Children are born healthy.
- Children are healthy, thriving, and developmentally on track from birth to third grade.
- Children are developmentally ready to succeed in school at the time of school entry.
- Children are prepared to succeed in fourth grade and beyond by reading proficiently by the end of third grade.

The state's plan includes activities in a number of different priority areas:

- **Great Start to Quality (GSQ):** The state will target outreach to home-based early learning providers to encourage support and participation in the state's Great Start to Quality TQRIS system. It has also encouraged participation with tiered reimbursement policies that reward providers that meet high-quality standards and quality improvement grants.
- **Identifying and Addressing Health, Behavioral Health, and Developmental Needs:** The state plan includes a gap analysis of GSQ program standards to incorporate health and protective factors and to pilot the use of consultants to support providers in promoting health screenings, healthy behavior and nutrition.
- **Engaging and Supporting Families:** The state will assure that GSQ standards include appropriate family engagement factors and will utilize Quality Improvement Consultants to improve family engagement by providers. The initiative will also aim to ensure families have information and resources that support their engagement in their child's care and utilize Great Start Parent Coalitions to reach families that are most difficult to engage.
- **Early Childhood Professional Development:** The state has established a goal of having effective early childhood educators available for all children with high needs by 2020 by expanding online training for the Child Development Associate credential; increasing the number of accredited educational programs for early childhood educators offered at community colleges; expanding T.E.A.C.H. scholarships to support educational opportunities and staff qualifications; and pilot business training in three regions to help early childhood educators improve business and operational plans.
- **Kindergarten Entry Assessment:** The plan includes the use of the Teaching Strategies GOLD Online assessment on a statewide basis and to use grant funding to support family engagement in the assessment process.
- **Early Learning Data Systems:** Michigan plans to bring all early learning data for publicly funded programs under a single Michigan Statewide Longitudinal Data System (MSLDS). The data system will allow for greater analysis of data and monitoring of program goals. Data reporting will be expanded to include families, educators, researchers, and others.

Match Requirements

The program does not have a match requirement. However, states must use federal RTT-ELC grant funding to supplement and not supplant any federal, state, or local funds that, in the absence of the RTT-ELC grant award, would be available for increasing access to and improving the quality of early learning and development programs.

Program Administration

The RTT-ELC program is jointly administered at the federal level by the U.S. Department of Education and U.S. Department of Health and Human Services with the U.S. DOE serving as lead agency. State governors appoint a lead agency for each state; in Michigan, the Department of Education serves the lead agency role.

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Temporary Assistance for Needy Families

CFDA 93.558 Temporary Assistance for Needy Families

Program Goals and Purpose

The Temporary Assistance for Needy Families (TANF) program is designed to help states and other eligible entities administer public assistance programs for low-income families. The program is administered by the U.S. Department of Health and Human Services (HHS) and provides block grant funding to states, U.S. territories, the District of Columbia, and federally-recognized Indian Tribes. The TANF block grant was created as part of 1996 welfare reform legislation and replaced the Aid to Families with Dependent Children (AFDC) entitlement program which had previous financed cash welfare payments to low-income families.

Eligible Activities

TANF dollars must be expended on programs or activities that can be reasonably calculated to accomplish at least one of the *four purposes* set out in TANF's authorizing legislation:

1. Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives.
2. End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage.
3. Prevent and reduce the incidence of out of wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies.
4. Encourage the formation and maintenance of two parent families.

States and territories may also expand TANF funds for purposes authorized under a number of predecessor programs that existed prior to welfare reform, including AFDC – which provided cash assistance to eligible low-income families; the Job Opportunities and Basic Skills Training (JOBS) program – which provided employment-related supports to those families; and the Emergency Assistance (EA) program – which provided financial support to assist with one-time emergency needs.

States and territories may also transfer up to 30 percent of their TANF block grant to their state's Child Care and Development Block Grant (CCDBG), which supports child care assistance programs, and up to 10 percent to their Social Services Block Grant (SSBG) which can be used to support a variety of human services-related programs such as child care, protective services, foster care and adoption services, transportation, health-related and substance abuse programs, and case management. The total amount transferred between the two funds, however, cannot exceed 30 percent of the annual total TANF grant.

Within these broad guidelines, states have significant discretion as to the utilization of TANF funding. Wide variations in emphasis exist across states in spending patterns.

Restrictions

Not more than 15 percent of any state grant may be spent on administrative costs, exclusive of certain computerization and information technology expenses. Furthermore, federal TANF funds may not be used to provide medical services other than pre-pregnancy family planning services.

Eligible Recipients

Applicant Eligibility

TANF funding is distributed through a historical formula to all states, U.S. territories, the District of Columbia, and federally-recognized Indian Tribes that submit and receive approval of a TANF State Plan. The state plan must outline how the state intends to implement its TANF program and comply with federal requirements. Specifically, the plan must provide details on the state's cash assistance program for low-income families, the work requirements that it will mandate for adult family members in the program in compliance with federal work participation requirements, and numerical goals for preventing and reducing the incidence of out-of-wedlock births.

States that use TANF dollars to provide cash assistance to needy families also are required to ensure that at least 50 percent of single-parent families and 90 percent of two-parent families receiving federal assistance are "engaged in work" in accordance with federal standards. The federal requirements vary depending upon family status. Single parents with children under the age of six must participate for at least 20 hours per week, while single parents with only older children must participate for at least 30 hours per week. Two-parent families receiving assistance must participate for either 35 or 55 hours per week depending upon the presence of very young children in the home. States that do not meet the work participation requirement percentages are subject to significant monetary sanctions. However, states are allowed a "caseload reduction credit" against these requirements whereby the 50 percent and 90 percent thresholds noted above are reduced by one percent for each one percent reduction in the state's cash assistance caseload from the base year of FY2005.

Beneficiary Eligibility

States have significant discretion as to who is served by TANF dollars. However, certain categories of TANF spending must serve "needy families" that meet financial eligibility criteria set by the state. Further, needy families receiving cash assistance must meet specified work requirements. Eligibility requirements also vary somewhat depending upon whether it is federal TANF dollars or state "maintenance of effort" (MOE) funds (see "Match Requirements" below) that are being expended.

Federal TANF funding expended on "assistance" (under purpose 1) or on employment-related and other supportive services (purpose 2) must serve "needy families" that meet relevant income and asset eligibility requirements and where at least one dependent child is present in the home. However, the financial eligibility requirements are set at the state level. Spending on activities to reduce out-of-wedlock pregnancies (purpose 3) and two-parent family formation (purpose 4) are not linked to financial eligibility requirements and thus can serve individuals that are not "needy" and do not have dependent children.

Under federal law, "assistance" includes traditional cash welfare payments to low-income families as well as non-cash assistance such as transportation and child care provided to needy families who are not working. Similar non-cash support to working families is not considered "assistance". The definitions are significant in that families receiving TANF-funded "assistance" are subject to additional requirements. First, these families must agree to (a) meet state-determined work participation standards unless otherwise deferred from those requirements by the state; and (b) agree to cooperate with child support collection efforts. Further, when "assistance" is funded with federal TANF dollars, recipient families are subject to a 60-month lifetime limit on their assistance (although states are allowed a "hardship exemption" of up to 20 percent of their federal TANF caseload) and such assistance is prohibited for certain non-citizens during their first five years in the United States.

State-funded MOE spending must serve needy families with dependent children that qualify under state eligibility standards. As with "assistance" funded with federal TANF, recipients receiving state MOE-financed assistance must also meet state-defined work requirements. Unlike with federal TANF, however, the 60-month federal time limit and restrictions on assistance to non-citizens do not apply to assistance funded with state MOE. States may, however, set their own restrictions on MOE-funded assistance payments.

Funding and Award Process

TANF block grant awards are distributed to each state and eligible territory that submits and receives approval from the HHS of a State Plan for their TANF program. HHS distributes roughly $16.5 billion to states and territories on an annual basis.

Individual state and territory grant levels are based primarily on the relative size of historical expenditures that date back to 1993 and 1994 under the former AFDC and other assistance programs that existed prior to welfare reform and the advent of the TANF block grant. Therefore, states with higher relative historical spending (whether that spending is due to higher numbers of low-income households and/or to more generous eligibility and benefit provisions) also receive proportionally higher shares of overall TANF funding. Similarly, states with lower relative spending levels receive a lower share of the overall TANF pool of funds.

TANF Contingency Funds

Beyond the regular annual TANF grant, states are eligible for supplemental TANF Contingency Funds when they experience abnormally difficult economic circumstances. Eligibility for Contingency Funds is based on states meeting one of two triggers for at least one month during the fiscal year:

- **Unemployment trigger:** average unemployment rate of 6.5 percent for the most recent three-month period; that rate must also be ten percent higher than the rate during corresponding three-month period in one of the preceding two years.
- **Food Stamp trigger:** average number of individuals receiving food assistance for the most recent three-month period must exceed the monthly average during the corresponding period in FY1994 or FY1995 by at least ten percent.

Eligible states can receive supplemental Contingency Funds equal to 20 percent of their regular TANF grant. However, total outlays to states are fixed at $610 million, and funds are available to states on a "first come, first served" basis. Additionally, the MOE requirement on states that elect to receive Contingency Funds is expanded (see "Match Requirements" below). At the end of the fiscal year, states must complete an annual reconciliation. Once a state no longer qualifies as a "needy state" under one of the two triggers, the state must remit back to the federal government a portion of their Contingency Fund payments based on the state's historic match rate under the pre-welfare reform AFDC program based on its Federal Medical Assistance Percentage (FMAP) rate. States are allowed to retain a greater portion of the Contingency Funds to the extent that their qualified MOE expenditures exceed the 100 percent MOE requirement for Contingency Fund access.

Funding to Michigan

Michigan receives $775.4 million each year in federal TANF funding under the federal government's distribution formula. The annual grant amount has not changed from the advent of the TANF program in FY1997.

To receive that federal funding, Michigan must document at least $468.5 million in countable MOE spending to meet the 75 percent of historic spending requirement (Michigan is currently meeting the federal government's work participation rate, and thus has to meet the 75 percent threshold). In FY2014, Michigan reported $616.8 million in eligible MOE spending, well above the required minimum. Michigan's TANF balance was $57.4 million at the close of FY2015.

Match Requirements

The TANF program is a federal block grant program, so there is not a traditional match requirement. However, in order to receive their TANF allocations, states must meet a MOE requirement. The MOE requirement mandates that states must maintain at least 75 percent of historic state-level expenditures prior to the enactment of welfare reform legislation (and the advent of TANF) in FY1994. States that fail to meet work participation requirements in a given fiscal year must meet an elevated MOE requirement equal to 80 percent of historical state expenditures.

TANF rules outline the kinds of state expenditures that may be counted toward the MOE requirement. Broadly speaking, activities that can be funded with federal TANF dollars can also be counted as MOE spending when they are funded with state dollars. However, all MOE spending must finance an activity that meets one of the four TANF purposes. Thus, certain expenditures (e.g. emergency assistance programs) that can be funded with federal TANF because they were allowable under pre-welfare reform statutes cannot be used to meet MOE requirements when they are state-funded because the spending does not fall under one of the four allowable TANF purposes. In addition, MOE spending requirements are more restrictive than requirements for federal TANF in that all MOE spending must be made on behalf of an "eligible family" that has a child in the household, is financially-eligible for TANF assistance under state standards, and is lawfully present in the United States. The rules explicitly authorize the following types of state expenditures to be counted:

- Cash assistance paid to needy families.
- Child care assistance.
- Education activities designed to increase self-sufficiency.
- Non-medical alcohol or substance abuse treatment.
- Pro-family healthy marriage and fatherhood activities.

No state funding that is used to match other federal dollars can be counted as MOE. Spending that meets MOE requirements and is borne by local governments or third parties such as non-profit organizations in the state may be counted as MOE if the expenditures are verifiable and there is an agreement between the state and the third party authorizing the use of the spending as MOE.

States that fail to meet their MOE requirements in a given year face a dollar-for-dollar reduction in their annual TANF grant as well as an equivalent increase in their MOE requirement in the following year.

MOE for States Receiving TANF Contingency Funds

States that qualify and elect to receive TANF Contingency Funds must meet more stringent MOE requirements. These states must maintain eligible state spending equal to at least 100 percent of historic FY1994 expenditures (compared to 75 percent under basic requirements). However, to avoid repayment of a portion of the state's Contingency Fund allocation, the state would need to document state expenditures that exceed the 100 percent MOE threshold by a significant amount.

Major Program Changes since 2000

Significant changes at both the federal and state level have transpired since 2000 with regard to the TANF program. Reauthorization of the TANF statute in 2006 significantly increased federal work participation requirements for TANF cash assistance recipients, forcing states to take significant actions to avoid related penalties. In Michigan, welfare time limits were implemented while spending trends under TANF were altered significantly due to budget challenges faced by the state.

2006 TANF Reauthorization – Renewed Work Participation Requirements

In 2006, TANF reauthorization legislation was enacted through the Budget Reconciliation Act of 2006. The reauthorization was initially effective through FY2010, but has since been extended through FY2016. A major change included in the reauthorization was the effective re-establishment of work participation requirements for all states. Under the original TANF law in 1996, adults in households receiving TANF cash assistance (Michigan's cash assistance program is known as the Family Independence Program) were required to participate in work activities while receiving assistance. States have flexibility in determining who is subject to these requirements, how many hours recipients must participate in work activities, and what activities qualify in meeting the requirement. However, the federal government required that at least 50 percent of all families and 90 percent of two-parent families receiving TANF assistance be engaged in a work activity for at least 30 hours per week (20 hours for single parents with very young children; 35 hours for two-parent families).

At the same time, the original TANF law also provided states with a "caseload reduction credit" whereby each one percent reduction in its TANF cash assistance caseload would reduce the mandated work participation rate by one percent as well; so if, for instance, the caseload dropped by 25 percent, only 25 percent of all families (50 percent – 25 percent = 25 percent) would need to meet the work requirement. Following the enactment of the TANF law, caseloads dropped substantially throughout the country. For most states, including Michigan, the work participation mandate actually fell to zero percent by the year 2000.

The reauthorization, however, re-established the work participation requirements by effectively resetting the required work participation rate back to 50 percent beginning in FY2007. The "caseload reduction credit" was retained but re-calibrated to a base year of FY2005, so the credit was reduced to near zero. The policy change required states to put a renewed emphasis on work engagement. Further, given the significant drops in caseload that had already occurred, this renewed emphasis also focused on a population that was less work-ready and faced significantly greater barriers to work on average.

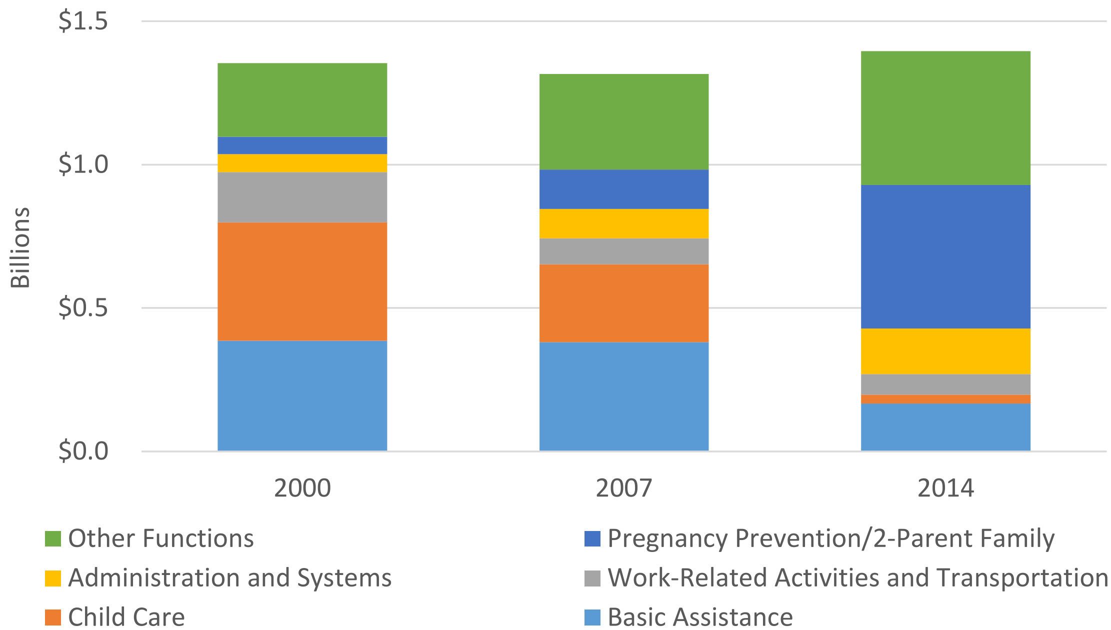
Michigan Welfare Time Limits

In September 2011, state legislation was enacted to implement a 48-month lifetime limit on the receipt of state cash assistance under the Family Independence Program, Michigan's TANF-funded cash assistance program. Effective October 1, 2011, households containing an adult member (or a minor head of household) would lose their assistance after receiving 48 non-exempt months of assistance. Months during which any adults less than 65 years of age in the household are exempt from work requirements due to a long-term disability, the need to care for a disabled child or spouse, or a domestic violence situation are exempt and do not count toward the state time limit. At the same time, the state also began strictly applying the federal 60-month time limit provided for in the TANF statute for federally-funded cash assistance. The implementation of these time limit provision have resulted in a sharp drop in the TANF cash assistance caseload in Michigan, with the average monthly caseload for FIP falling from 79,660 in FY2011 to 28,475 in FY2015, a decline of roughly 64 percent.

TANF Spending in Michigan

While Michigan's annual TANF grant and MOE requirements have not changed in total, Michigan's spending within its TANF program has changed significantly since 2000. The time limits noted above have dramatically decreased cash assistance caseloads. Similarly, child care assistance caseloads fell sharply beginning about 10 years ago. **Chart 2** compares Michigan's total TANF spending (both federal and MOE funding) in FY2000, FY2007, and FY2014 by major spending category.

Chart 2
Combined Federal and State TANF Spending in Michigan



Source: U.S. Department of Health and Human Services, annual TANF Financial Data

In FY2000, almost 60 percent of Michigan's TANF program revenues were utilized for basic assistance and child care needs. By FY2014, that percentage had dropped to around 14 percent. Conversely, spending related to out-of-wedlock pregnancy prevention and two-parent family formation has increased significantly over the period. A major factor in this trend is the utilization of TANF to finance need-based college scholarship programs (based on a correlation between increased education and reduced out-of-wedlock pregnancies) and MOE claims tied to increased K-12 expenditures for the Great Start Readiness Program and grants targeting at-risk youth.

Overall funding distributed to states under the TANF program did not grow between FY2000 and FY2015. States have generally received the same block grant allocation each year. In fact, as shown in **Table 13**, overall funding has fallen slightly with the elimination of small bonus payments for states that existed at the advent of the program.

Table 13
Change in Federal TANF Allocations Between FY2000 and FY2015

	FY2000	**FY2015**	**Percent Change**
Nationwide	$17,007,228,612	$16,870,245,544	-0.8%
Michigan	$797,884,147	$775,352,858	-2.8%

Source: U.S. Department of Health and Human Services

Program Administration

The program is administered by the Office of Family Assistance within the U.S. Department of Health and Human Services' Administration for Children and Families:

Federal-Level: U.S. Department of Health and Human Services
Susan Golonka, Director – Office of Family Assistance
U.S. Department of Health and Human Services, Administration for Children and Families
Phone: 202-401-4731
E-mail: Susan.Golonka@acf.hhs.gov
Website: www.acf.hhs.gov/programs/ofa/programs/tanf

Federal-Level: HHS Region V - Chicago
Thomas Schindler, Regional Program Manager – Office of Family Assistance
U.S. Department of Health and Human Services, Administration for Children and Families
Phone: 312-886-9540

State-Level: Michigan Department of Health and Human Services
Terrence Beurer, Deputy Director – Field Operations Administration
Michigan Department of Health and Human Services
Phone: 517-373-2035
Website: www.michigan.gov/mdhhs/0,5885,7-339-71547---,00.html

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2008 Revisions under Reauthorization:
www.acf.hhs.gov/programs/ofa/resource/law-reg/finalrule/tanf-final-rule

Michigan TANF State Plan
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Title I Education Grants – Local Districts

CFDA 84.010 Title I Grants to Local Educational Agencies

Program Goals and Purpose

Federal Title I grants are provided to state educational agencies for re-distribution to local school educational agencies in order to provide additional financial assistance to schools with high numbers of children coming from low-income families and who thus may face additional challenges in meeting rigorous state academic standards. Authorized under Title I, Part A of the Elementary and Secondary Education Act (ESEA), the program distributed just over $14.4 billion in grant funding in FY2015. Congress approved increased funding of $14.9 billion for FY2016, and the recent reauthorization of the Act calls for funding to increase to $16.2 billion by FY2020.

The ESEA was originally enacted in 1965 as part of the President Lyndon Johnson's "War on Poverty" agenda. It has been reauthorized on eight different occasions since its enactment. In 1994 under the Improving America's Schools Act and again in 2002 under the No Child Left Behind Act, states and local school districts receiving Title I funding were held to heightened academic standards and new accountability provisions. Most recently, the ESEA was reauthorized within the 2015 Every Student Succeeds Act.

Eligible Activities

Title I funds must be utilized by local educational agencies (LEAs), which includes local school districts as well as public school academies or charter schools, for educational activities at schools within "eligible school attendance areas" where the percentage of children in low-income families within the geographic area normally served by that school is at least as high as the percentage of children in low-income families served by the LEA as a whole. Generally, LEAs must prioritize funding in a manner that allows Title I funding to serve children in schools with the highest concentration of children from low-income families on a rank order basis. An LEA has discretion as to the measure of poverty used for this ranking. The poverty measure shall be one of, or a composite of, the following measures:

- Number of children ages 5 through 17 in poverty according the most recent U.S. Census data.
- Number of children eligible for free or reduced price lunches under the federal School Lunch Act.
- Number of children in families receiving assistance under a state Temporary Assistance for Needy Families (TANF) program.
- Number of children eligible to receive Medicaid assistance.

Schools selected to receive Title I funding have the option of employing either a targeted assistance program that provides special educational assistance only to Title I-eligible children in the school; or, if the school has a sufficiently high concentration of low-income children, a schoolwide program that allows Title I funding to be combined with other funding sources to enhance educational opportunities to all students served in the school.

Targeted Assistance Programs

In general, Title I funding must be used to provide additional educational services to eligible children identified as having the greatest need for enhanced educational support. Schools that operate targeted assistance programs must provide extra instruction to children that meet the Title I eligibility standards (see "Beneficiary Eligibility" below) to help them meet challenging state academic achievement standards. Activities can include expanded learning time, before- and after-school programs, and summer programs.

Schoolwide Programs

For schools where at least 40 percent of children are from low-income families, an LEA may choose to operate a schoolwide program authorized under Section 1114 of the ESEA. A state educational agency may also grant a waiver to a Title I school to operate a schoolwide program when it does not meet the 40 percent low-income criterion if the state deems it in the best interest of students in improving academic achievement and other factors. Under a schoolwide program, Title I funds may be combined with other federal, state, and local funds to upgrade the school's overall instructional program in order to raise the achievement of the lowest-achieving students. There is a maintenance of effort provision: Schoolwide program schools must receive the amount of non-federal resources they would have received in the absence of Title I funds.

Under either the targeted assistance or schoolwide program, Title I funds can be also be used for dual/concurrent enrollment programs that allow students to earn post-secondary credit while in high school as well as preschool programs administered in the school. Federal law also requires that Title I dollars supplement – and do not supplant – state and local funding for K-12 schools. As such, the act specifically prohibits states from considering Title I payments in determining either local district eligibility for state aid or the total amount of state aid provided for free public education in the state.

Eligible Recipients

Applicant Eligibility: Grant funds are awarded to state educational agencies (generally state departments of education) with state plans approved by the U.S. Department of Education. State plans may be submitted as part of a broader consolidated plan that includes other federal educational programs (e.g. Head Start, Individuals with Disabilities Act). Under the 2015 reauthorization of the program, state plans will be subject to a peer-review process involving a regionally-diverse group of selected educational staff (e.g. teachers, principals), parents, state and local educational agency staff, researchers, and the community. Plans must document that the state has adopted challenging academic standards in mathematics, reading/language arts, and science; has implemented a set of high-quality student academic assessments in those subject areas; and describe the state's accountability system based on established long-term achievement goals for mathematics and reading/language arts.

State allocations are subgranted to LEAs that submit local plans approved by the state educational agency that document how funding will be used to help low-achieving children meet state academic standards, including the use of assessments, and the provision of additional educational assistance to students needing support to meet state standards. LEAs then further allocate funding to the individual school level

Academic Standards and Assessments

States receiving Title I funding must adopt "challenging academic content standards" for mathematics, reading/language arts, and science, which should align with public college entrance requirements and career and technical education standards. States must also adopt student achievement standards which include at least three levels of achievement and apply uniformly to all public schools and public school students in the state. States are allowed to adopt alternate standards for students with the most significant cognitive disabilities, provided that they align with the original standards.

States are required to administer regular high-quality student assessments that are statistically valid and reliable. For mathematics and reading/language arts, assessments are administered annually in grades 3 through 8 and at least once during high school. For science, assessments must be administered once each within grades 3 through 5, grades 6 through 9, and grades 10 through 12. Assessments must result in a single score that provides reliable and transparent information on student achievement and growth. Once again, states are allowed to develop alternate assessments for students with significant cognitive disabilities.

Accountability System

States must establish long-term goals for improvement in academic achievement within reading/language arts and mathematics (as measured by student assessments), high school graduation rates, and English proficiency for English language learners. Goals must be set for students as a whole and within the following subgroups:

- Economically disadvantaged students.
- Students from major racial and ethnic groups.
- Children with disabilities.
- English language learners.

Annual indicators must then be developed to track progress against state-developed goals. These indicators must allow for an "annual meaningful differentiation" between all public schools in the state for all students and for the listed subgroups. Beginning in school year 2017-2018 and every three years thereafter, schools would be identified based on the state indicators for comprehensive support and improvement if they: (a) ranked among the lowest-performing five percent of all public schools; or (b) were high schools that graduated less than two-thirds of their students. The local LEA overseeing an identified school would have to engage with stakeholders (e.g. principal, teachers, parents) to conduct a school-level needs assessment and develop a local improvement plan that would include evidence-based interventions and examine potential resource inequities to be addressed in the plan. The plan would be subject to the approval of both the LEA and the state educational agency. An LEA may provide students with the option to transfer to another public school (if consistent with state law) with priority given to the lowest-achieving children from low-income families. Schools that fail to meet state-defined exit criteria after a specified period of up to four years would be subject to more rigorous state-directed actions, including possible changes to school-level operations.

In addition, states must identify schools in which a given subgroup of students is consistently underperforming based on the state's indicators, and these schools will be required to engage in targeted support and improvement. As with schools identified for comprehensive support, local stakeholders would be responsible for developing a targeted support and improvement plan using evidence-based interventions. The plan would be subject to LEA approval, and the LEA would be responsible for monitoring implementation. If the plan was unsuccessful after a specified number of years, the school would be subject to additional remedial action.

Beneficiary Eligibility: Within a participating Title I school, funding must be used to provide services to children identified as failing, or as at most risk of failing, using objective criteria established by the LEA and the school. For very young children in preschool through grade 2, selection criteria can only include teacher judgment, parent interviews, and developmentally appropriate measures. All children served by the program must be no older than 21 years of age and qualify for participation in pre-kindergarten or a public K-12 school. In addition, children in one of the following subgroups are categorically eligible to receive Title I-funded services:

- Children who received Head Start, Early Head Start, Even Start, Early Reading First, or Title I-funded preschool services.

- Migratory children that received services under the Migrant Education program (Title I, Part C).
- Children in local institutions or community day programs for neglected or delinquent children.
- Children determined to be homeless.

Funding and Award Process

Title I funding is awarded to states and passed through to local school districts through four statutory formulas that are based on U.S. Census poverty estimates and are adjusted for the cost of education in each state as measured by the statewide average per-pupil expenditure. In calculating formula allocations, "eligible children" include children aged 5 to 17 whose families have incomes below the federal poverty level, children whose families have incomes above the poverty level but receive public assistance under the TANF program, and children living in foster care or within an institution for neglected or delinquent children. The four formula grants that make the total Title I allocation are:

1. **Basic Grants** *($6.5 billion in FY2015; about 45 percent of total funding)*: LEAs receive an allocation equal to 40 percent of the state's average per-pupil expenditure multiplied by the number of eligible children in the district. In order to qualify for a basic grant, the total number of eligible children in its district must be at least two percent of the overall school-age population and the total count of eligible children must be ten or more. Given these criteria, most school districts receive at least some Title I funding under the basic grant.

2. **Concentration Grants** *($1.4 billion in FY2015; about 9 percent of total funding):* This allocation also is equal to 40 percent of the state's average per-pupil expenditure multiplied by the number of eligible children in the district. However, the qualification standards are more stringent. In order to qualify for a concentration grant, the total number of eligible children in a district must be at least 15 percent of the overall school-age population or the total count of eligible children must be 6,500 or more.

3. **Targeted Assistance Grants** *($3.3 billion in FY2015; about 23 percent of total funding):* The Targeted Assistance Grant formula provides for higher Title I payments to LEAs with higher numbers or percentages of poor children based the statutory weighting factors in **Table 14**. Actual grant allocations are based on either the count-based or percentage-based weights, whichever is most advantageous to the LEA. To illustrate, if a local district had 800 eligible children in its district and

Table 14
Targeted Assistance Formula Weighting

Percent of Eligible Children	Per Child Weight	Number of Eligible Children	Per Child Weight
0.0 – 15.58	1	0 – 691	1
15.59 – 22.11	1.75	692 – 2,262	1.5
22.12 – 30.16	2.5	2,263 – 7,851	2
30.17 – 38.24	3.25	7,852 – 35,514	2.5
> 38.24	4	> 35,514	3

used the count-based formula, the first 691 children would be counted once under the Targeted Assistance Formula, while the last 109 children would be weighted to equal 163.5 (i.e. 109 x 1.5) children under the formula. This hypothetical district would receive a Targeted Assistance allocation equal to 40 percent of the state's average per-pupil expenditure multiplied by a weighted eligible student count of 854.5 (i.e. first 691 + weighted 163.5).

As with the Basic and Concentration grants, however, LEAs must meet minimum requirements to qualify for any allocation under the Targeted Assistance grants. In this case, the district must have, prior to the application of any weighting, at least ten eligible students and have at least five percent of the overall school-age population qualify as eligible students.

4. **Education Finance Incentive Grants (EFIG)** *($3.3 billion in FY2015; about 23 percent of total funding):* Finally, the EFIG grant allocation specifically takes each state's "fiscal effort" and "fiscal equity" into account in awarding funding. An "effort factor" is calculated for each state to measure its fiscal commitment to K-12 education relative to other states. The factor is calculated by multiplying the state's three-year average per-pupil K-12 expenditure by the nation's three-year average per capita income and then dividing by the state's three-year average per capita income multiplied by the nation's three-year average per-pupil K-12 expenditure. States with relatively high K-12 commitments as a percentage of per capita income will have relatively high effort factors; those with low relative commitments will have low factors. Additionally, an "equity factor" is calculated for each state that measures the degree of variation in per-pupil expenditures across local districts in that state. States with high degrees of variation across districts have high equity factors; those with low variation will have low factors.

   The EFIG allocation also draws on the student weighting system used for Targeted Assistance grants, except that all of the weights are doubled for the EFIG allocation so that schools with more eligible children draw an even greater share of the EFIG funding. Overall, the EFIG allocation for each district equals:
   - The state's weighted count of eligible children.
   - Multiplied by 40 percent of the state's average per-pupil expenditures.
   - Multiplied by the state's effort factor (which is limited to be between 0.95 and 1.05).
   - Multiplied by 1.30.
   - Minus the state's equity factor.

Allocations to Individual Schools

LEAs must provide Title I funding to individual eligible schools in rank order on the basis of the total number of children from low-income families served by that school. The per-pupil Title I allocation to individual schools must be at least 125 percent of the total per-pupil amount received by the LEA under the four formula allocation unless that LEA only serves schools in which the percentage of children in low-income families is 35 percent or more. Districts must also reserve Title I funding to provide comparable services to those provided in Title I schools to (a) homeless children who do not attend participating schools and (b) delinquent or neglected children in local institutions or community day school programs.

Other Notable Restrictions

A local district can carryover up to 15 percent of its Title I funding for one additional fiscal year. However, a state educational agency may waive the percentage limitation once every three years at the request of a local district if it is determined that the request is reasonable and necessary or if supplemental Title I funding was made available. The percentage limitation does not apply to a LEA that receives less than $50,000 in Title I funding for any fiscal year.

Funding to Michigan

Table 15 below reviews the amount of Title I funding allocated statewide as well as the amount allocated to schools within the Detroit Public School district, and Detroit schools operated under the Education Achievement Authority during FY2016. DPS schools received funding equivalent to 21.8 percent of the total statewide allocation of Title I dollars. The 15 schools within the EAA received an allocation equal to 2.9 percent of total funding.

Table 15
Summary of FY2016 Title I Allocations to Michigan

All Michigan schools	$467,955,245
Detroit Public Schools	$102,194,741
Education Achievement Authority schools	$13,692,032

Match Requirements

The program has no matching requirements. However, to receive its full allotment of Title I funding, a state and its LEAs must meet a maintenance of effort requirement in that either the "combined fiscal effort per student" or the aggregate expenditures within the state for free public K-12 education during the prior fiscal year must be at least 90 percent of the same combined fiscal effort or aggregate expenditures during the second prior fiscal year. Title I funding is reduced in the exact proportion by which a state fails to meet this maintenance of effort requirement unless the U.S. Department of Education grants a waiver of the requirement due to exceptional circumstances.

Major Program Changes since 2000

Beginning with its reauthorization in 2002 under the No Child Left Behind Act, the Title I program experienced major changes aimed at encouraging higher academic standards within school districts serving at-risk youth. The No Child Left Behind law was highly prescriptive with states having to meet specific federal standards for "adequate yearly progress" tied to the long-term goal of 100 percent student proficiency on standardized assessments. In 2012, the Obama Administration relaxed these federal requirements by allowing states to submit waivers to the federal government that allowed greater state latitude in developing measures of academic performance. When the Title I program was reauthorized in 2015, the waiver provisions were largely adopted into the new law.

No Child Left Behind Act

The No Child Left Behind (NCLB) Act was signed into law on January 8, 2002 by President George W. Bush. The overarching goal of NCLB was to require that all students in each state were proficient in reading and math by the 2013-2014 school year. The requirement applied to the student population as a whole as well as to students within specified subgroups based on race, economic status, and other factors such as English language proficiency and disability. The stage for these changes was set in the previous 1994 reauthorization of ESEA, which required states to develop content and performance standards for school districts and required each state to make "continuous and substantial" progress toward the goal of academic proficiency for all students. However, while the federal government provided assistance to states in the development of more rigorous standards, it did not impose any deadlines or sanctions for failure to enact standards or achieve academic progress.

That changed under NCLB, which required states to develop and administer standardized testing in reading and math for students in grades 3 through 8 and then again during high school. The Act also required all schools make "adequate yearly progress" (AYP) towards the goal of 100 percent student proficiency by 2013-2014. Each state was required to establish AYP requirements in terms of increased proficiency rates for reading and mathematics. For each school, those AYP requirements applied to public school student populations as a whole as well as to specified subgroups including: (a) economically disadvantaged students; (b) students from major racial and ethnic groups; (c) students with disabilities; and (d) students with limited English proficiency.

Schools that failed to meet AYP standards for two consecutive years were identified for corrective action. These schools would draft a school improvement plan aimed at addressing deficiencies and were required to utilize at least ten percent of their Title I funding for teacher professional development activities. The LEA overseeing the school would also have to provide students attending the school with the option of transferring to another public school (including a charter school) served by the LEA to the extent that such choice was consistent with the state's laws.

Continued failure to meet AYP requirements resulted in escalating interventions into the school's operations. After four years of failing to make AYP, the LEA would be required to implement a corrective action plan, which could include replacing school staff, curriculum reforms, management and organizational changes, the appointment of outside expert advisors, and extensions to the school day or school year. After six years of failing to meet AYP standards, the school would undergo a mandated restructuring, which could include staff replacement, reopening the school as a charter school, operating the school under contract with an effective third-party entity, state takeover of the school, or some other form of major change to the school's governance structure. Schools must meet AYP requirements for two consecutive years to exit the process.

2011 Waiver Program

As the 2013-2014 school year approached, it became evident that few schools were going to meet the NCLB's original goal of 100 percent student proficiency, which was the basis of AYP requirements. Further, many states argued that the NCLB's standards were themselves flawed, and as more and more schools fell into the "in need of improvement" category, states found it more and more difficult to determine which schools were most in need of intervention.

In 2011, the U.S. Department of Education announced it would authorize states to apply for two-year waivers from current NCLB accountability standards if they agreed to the following reforms:

- Implementation of college- and career-ready academic standards in language arts and mathematics with assessment aligned to those standards.
- Development of a differentiated accountability system that would identify at least five percent of the lowest-performing Title I schools as "priority schools" and at least ten percent of Title I schools

with large achievement gaps or sub-group performance as "focus schools."

- Development and implementation of new teacher and principal evaluation systems that include a student growth component and differentiate teachers based on categories of effectiveness.
- Reduction of administrative burdens on schools by eliminating regulations and reporting that have little impact on student achievement.

Currently, 43 states (including Michigan) and the District of Columbia have received waiver approval. The waivers allow states to modify the end goal in terms of student performance, eliminating the strict requirement of 100 percent proficiency. States may instead set goals relative to reducing achievement gaps or other outcomes. Further, the waivers allow states to focus on a specific subset of 15 percent of public schools for improvement activities rather than all schools that fail to meet AYP requirements.

Title I and Pre-Kindergarten Funding

In 2012, the U.S. Department of Education issued new non-regulatory guidance related to the use of Title I funding for pre-kindergarten programs. The guidance clarified that Title I dollars could be used to finance pre-school programs and provided new guidelines on eligibility, educator qualifications, the use of Title I funding, and the coordination of Title I funding with other federal and state funding sources. The guidance document is available online at:

www2.ed.gov/policy/elsec/guid/preschoolguidance2012.pdf

Changes in Total Program Funding

Total Title I funding distributed to states rose by just over 81 percent between FY2000 and FY2015.

Table 16
Change in Title I Funding Between FY2000 and FY2015

	FY2000	**FY2015**	**Percent Change**
Nationwide	$7,941,397,000	$14,409,802,000	81.5%
Michigan	$340,166,054	$486,872,264	43.1%

Funding to Michigan, however, rose by only 43 percent.

Program Administration

Federal-Level: U.S. Department of Education
Susan Wilhelm, Director – Student Achievement and School Accountability Programs
U.S. Department of Education, Office of Elementary and Secondary Education (OESE)
Phone: 202-260-0984
Website: www2.ed.gov/programs/titleiparta/index.html

State-Level: Michigan Department of Education
Mike Radke, Director – Office of Field Services
Michigan Department of Education
Phone: 517-373-3921
E-mail: RadkeM@michigan.gov
Website: www.michigan.gov/mde/0,1607,7-140-6530_30334_51051---,00.html

References

Legislation - Every Student Succeeds Act (2015 reauthorization):
https://www.gpo.gov/fdsys/pkg/BILLS-114s1177enr/pdf/BILLS-114s1177enr.pdf

Legislation – Elementary and Secondary Education Act of 1965, Title I, Part A:
www2.ed.gov/programs/titleiparta/legislation.html

Title I – Final Rule (2002):
www2.ed.gov/legislation/FedRegister/finrule/2002-4/120202a.html

U.S Department of Education, Program Information:
www2.ed.gov/programs/titleiparta/index.html

Michigan – Final Allocations for School Year 2015-16, Title I, Part A:
www.michigan.gov/documents/mde/Title_I_Part_A_Final_504896_7.pdf

Title I Public Schools in City of Detroit:
detroitk12.org/content/wp-content/uploads/2012/11/2014-15-Title-IA-Section-31a-Schools-Internet.pdf

Secondary Sources

Child and Adult Care Food Program

CFDA 10.558 Child and Adult Care Food Program

Program Purpose and Goals

The Child and Adult Care Food Program is designed to help states initiate and maintain nonprofit food programs for children and elderly or impaired adults enrolled in nonresidential day care facilities, as well as children attending afterschool care programs in low-income areas, and children residing in emergency shelters. This program provides grants and other aid to child and adult care institutions and day care homes for the provision of nutritious foods that contribute to the wellness, health, growth, and development of young children, older adults, and chronically impaired disabled persons. Funds are also paid to states for administrative expenses related to program staffing, oversight, and audit activities.

Eligible Activities

Funds are made available to eligible recipients to reimburse costs in providing snacks and meals to children in afterschool care, nonresidential day care, and emergency shelters, as well as adults enrolled in nonresidential day care. All program meals must meet USDA standards to be eligible for reimbursement.

Disbursement is based on the number of breakfasts, lunches, suppers, and snacks served, using specified rates of reimbursement. Allowable reimbursement depends on facility type:

- **Child care centers and day care homes:** Up to two meals and one snack served each day to children through the age of 12, children of migrant workers through the age of 15, and persons with disabilities.
- **Adult day care centers:** Up to three meals served each day to enrolled adults who are functionally impaired or over 60 years of age.
- **Emergency shelters:** Up to three meals served each day to residents age 18 and younger.
- **At-risk afterschool care programs:** One snack and an additional meal served each day, during the regular school year, to children through the age of 18.

Eligible Recipients

Applicant Eligibility: States and U.S. territories, who then enter agreements either directly with institutions approved for participation in the program or with a sponsoring organization that assumes administrative and financial responsibility for program reimbursements.

Beneficiary Eligibility: All participating institutions must be approved by the relevant lead state agency and must operate a nonprofit food service, make this service available to all eligible children and adult participants, and provide assurances that they do not discriminate on the basis of race, sex, color, national origin, age, or disability.

Eligible public and nonprofit private organizations include:

- Day care centers.
- Outside-school-hours care centers.
- Settlement houses.
- Family care homes.
- Group day care homes.

- Head Start programs.
- Institutions providing day care services to children and disabilities.
- Non-residential adult day care programs.
- Emergency shelters which provide shelter and meals to children experiencing homelessness.
- After school care programs for at-risk children in low-income areas where at least 50 percent of children are eligible for free and reduced price meals based on school data.

Private, for-profit child care centers may also participate if at least 25 percent of the children in care (enrolled or licensed capacity, whichever is less) are eligible for free or reduced price school meals or receive federal Social Services Block Grant benefits. Private, for-profit non-residential adult day care centers may also participate if at least 25 percent of the adults enrolled receive Medicaid or Social Services Block Grant benefits.

Funding and Award Process

Program funds are disbursed to states through letters of credit. States then use the funds to reimburse applicable institutions for costs of food service operations and administrative expense support. The U.S. Department of Agriculture establishes appropriate rates of reimbursement. These reimbursement rates are multiplied by the number of eligible meals, and represent the basic program payment that an institution receives. The assigned rates are adjusted annually on July 1, and reflect changes in the Food Away from Home series of the CPI for All Urban Consumers. The USDA also makes available donated foods to eligible institutions.

Reimbursement Provisions

Meal reimbursement rates for breakfast, lunch/supper, and supplemental snacks are established by institutional type and by the economic need of the children served. (Actual reimbursement rates for program year 2015-2016 are contained in the link within the "References" section.)

- **Child care and adult day care centers:** Meal reimbursement rates are subdivided based on the child's or adult's income eligibility for free, reduced price, or paid school lunches. The current eligibility for free or reduced price meals varies by household size – reduced price meals are at 185 percent of the federal poverty line and free meals are at 130 percent of the federal poverty line.
- **Family or group day care homes:** Reimbursement is provided through a sponsoring organization at rates that vary based on a child's eligibility for higher tier I reimbursement rates (based on the home's presence in a low-income area or where the provider's income or individual child's family income is at or below 185 percent of the federal poverty level) or lower tier II rates.
- **Emergency shelters:** All children through age 18 receive free meals without application.
- **Eligible at-risk after school care programs:** Reimbursement is at the free meal rate for all meals and snacks served to children through age 18.

In FY2015, the program granted a total of $3.2 billion to the states to support meal reimbursement and program administration. The program had an average daily attendance of 3.62 million eligible persons. Michigan received $65.5 million in funding which provided for almost 44 million meals and snacks serving a daily average of 99,292 children.

Match Requirements

There are no matching requirements for this program.

Major Program Changes Since 2000

There have been no major changes to the authorizing statutes since 2000. However, several elements of the program's requirements are regularly revised. Rates of reimbursement for eligible purchases are updated every July 1. Additionally, the program occasionally revises the approved meal patterns for the program. Most recently, in April 2015, the USDA proposed updates to the meal pattern design to reduce allowances for sugars and fats while increasing vegetable variety and grain intake under the program in an attempt to address childhood obesity. Moreover, the proposed revisions seek to add a new age group to address 13 to 18 year old children, allowing tofu as a meat substitute, disallowing frying as an onsite preparation method, and requiring milk to be skim, among other changes. These changes are not yet effective, and the Department is reviewing public comment on the proposals.

Program Administration

Federal-Level
Cynthia Long, Deputy Administrator – Child Nutrition Programs
U.S. Department of Agriculture
Phone: 703-305-2590
Website: www.fns.usda.gov/cacfp/child-and-adult-care-food-program

State-Level
Lynn Cavett, Supervisor – Child and Adult Care Food Program
Michigan Department of Education
Phone: 517-373-7391
Website: www.michigan.gov/cacfp

References

National School Lunch Act (sections 17 authorizes this program):
www.fns.usda.gov/sites/default/files/NSLA.pdf

Federal Regulations:
www.fns.usda.gov/sites/default/files/CFR226.pdf

CACFP Reimbursement Rates for 2015-2016:
www.fns.usda.gov/sites/default/files/cacfp/CACFP-ratetables_15-16.pdf

Income Eligibility Guidelines:
www.gpo.gov/fdsys/pkg/FR-2015-03-31/pdf/2015-07358.pdf

Michigan Program Statistics:
www.michigan.gov/documents/mde/2010_CACFP_Fact_Sheet_rev_2-17-11_346861_7.pdf

Choice Neighborhoods Grant Program

CFDA 14.889 Choice Neighborhoods Implementation Grants
CFDA 14.892 Choice Neighborhoods Planning Grants

Program Goals and Purpose

The program aims to support local projects that address struggling neighborhoods with distressed U.S. Department of Housing and Urban Development (HUD)-assisted or public housing by bringing together local stakeholders to create critical improvements in neighborhood assets. It focuses on three core goals:

- Replacing distressed housing with high-quality, mixed-income, well-managed housing.
- Improving educational outcomes and youth mobility through direct services to youth and families.
- Creating favorable conditions for public and private reinvestment in these neighborhoods so that important services are offered to families in the community.

Eligible Activities

The program provides three different types of grant funding:

- **Planning grants** are awarded to bring together local partners to create a comprehensive, integrated Transformation Plan, and to secure local commitments necessary for implementation. Eligible activities for planning grants are narrowly defined. All grant recipients must undertake a household-level needs assessment of residents in the target development and design a relocation strategy for these residents during the period of planned rehabilitation or reconstruction. Recipients must also conduct both a market assessment of the neighborhood and an environmental assessment at the redevelopment site. Grant funding may also be used to conduct other needs assessments to inform the Transformation Plan, undertake a comprehensive planning process to facilitate community involvement in the implementation plan, and build the capacity of participating organizations to successfully implement and sustain the Transformation Plan. The guidelines specifically exclude costs related to implementation of a Transformation Plan, writing and submitting an Implementation Grant Application, and administrative costs not directly related to developing a Transformation Plan.
- **Implementation grants** are awarded to communities fully prepared to carry out their Transformation Plan to redevelop the targeted neighborhood. Activities conducted under implementation grants must be tied to detailed budget line items. Eligible activities include the construction, acquisition, and rehabilitation of public housing, assisted housing, or affordable housing available to households earning up to 120 percent of the area's median income. Up to 15 percent of grant funding may cover the costs of supportive services (e.g. early learning, continuing education, job training, and transportation) for residents that promote self-sufficiency and improved quality of life. Another 15 percent can be used for "Critical Community Improvements" such as economic development projects, place-making projects, broadband enhancements, or streetscape improvements. Other eligible activities include relocation assistance for displaced families and technical, legal, and administrative costs related to the Transformation Plan. Finally, up to 15 percent of the grant funding may be used to establish an endowment trust to provide for future supportive services activities.
- **Planning and Action grants** are a new form of grant that combines activities covered under the Planning Grant with Action Activities, which include recycling vacant property, beautification and arts projects, façade improvement, neighborhood broadband/wireless internet, and gap financing for economic development projects. These grants are designed to help communities build momentum while planning and transitioning to implementation more readily by sustaining the community's energy and attracting more engagement and leverage.

Choice Neighborhoods grant funds may not be used to pay for activities carried out on or before the date of the letter announcing the award, or for application preparation.

Eligible Recipients

Applicant Eligibility: Eligible recipients for Choice Neighborhood grants are public housing associations, local governments, tribal entities, or nonprofits developing or implementing a Transformation Plan for a distressed neighborhood. For-profit entities may apply for Implementation grants only. For Implementation grants, a unit of local government must be the lead applicant or the co-applicant in all applications. Private non-profit and for-profit entities must own the target housing to be part of an application. Each grantee is expected to develop metrics based on HUD objectives to measure performance in terms of:

- **Housing Objectives**: Transformed housing should be energy efficient, sustainable, healthy, discrimination-free, mixed-income in nature, and financially viable.
- **People Objectives**: Neighborhood residents should benefit from effective education, employment opportunities, quality health care, and quality and affordable housing.
- **Neighborhood Objectives**: Investments should ensure the neighborhood enjoys improved public and private investment, nearby amenities and basic services, effective public schools, and safety.

Beneficiary Eligibility: Revitalization efforts must focus on at least one severely distressed public and/or HUD-assisted housing project. Severely distressed properties require major reconstruction, repair, or demolition; contribute to disinvestment in the neighborhood; are primarily occupied by very low-income families and lack appropriate services and opportunities; and cannot be revitalized under other public programs.

The targeted neighborhood that will be the beneficiary of the program activities must have at least 20 percent of its households estimated to be living in poverty or having extremely low incomes. Further, the neighborhood must meet at least one of the following criteria:

- **Experiencing high crime**: where the "Part I" violent crime (e.g. assault, rape, murder, robbery) rate in the neighborhood is at least 1.5 times the per capita rate of the city (or county if no city data is available) in which the neighborhood is located; or at a minimum, the Part I violent crime exceeds 18 crimes per 1,000 persons.
- **Contains high vacancy or substandard homes**: where the current rate within the last year of long-term vacant or substandard homes is 1.5 times higher than that of the county in which the neighborhood is located; or at a minimum is greater than four percent.
- **Inadequate schools**: where a "low-performing" or "persistently lowest-achieving" public school is in the neighborhood or where 20 percent of the children from the targeted public or HUD-assisted housing attend such a school.

Additionally, public or assisted housing projects and the neighborhoods in which they are located cannot receive successive implementation or planning grants, and applicants must involve affected residents prior to the submission of the application.

Funding and Award Process

For the 2015-2016 fiscal years, HUD authorized approximately $10 million in assistance for the Planning Grants program, for which the third type of grant, a Planning and Action Grant, has been introduced. Top scoring applicants are awarded Planning and Action Grants, and the next highest scoring applications are awarded Planning Grants based on remaining funding ability.

Another $120 million is available for the Implementation Grants program through an ongoing grant process with applications due by June 28, 2016. At least $75 million of this amount must be awarded to applicants for which a public housing authority is either the lead applicant or a co-applicant.

There are approximately 10-12 Planning Grants and 3-4 Implementation Grants administered each year. Each Implementation Grant averages about $30 million in granted funds, whereas each Planning Grant averages about $500,000 in granted funds.

Each grant application is reviewed and rated according to a number of factors, described in detail in the rubric contained in the Notice of Funding Availability (NOFA) for the program. They include ratings based on capacity, need, soundness of approach, likelihood of implementation, leverage, and alignment with NOFA priorities.

Funding in Michigan

The City of Flint is the only locality in Michigan to receive funding under the program. The City of Flint and Flint Housing Commission received $500,000 to reinvigorate the Atherton East housing project in the South Saginaw Street neighborhood. Atherton East lies in an area of limited opportunity, separated from the community by railroad tracks and in an area characterized by dropping population, vacant lands, and increased blight. The grant is designed to help Flint create a Transformation Plan as an extension of the City Master Plan, resulting in detailed housing, neighborhood, and people strategies with a view to increasing educational opportunities for the area.

City of Flint grant information: portal.hud.gov/hudportal/documents/huddoc?id=fy14cnpgsummrpt.pdf
www.imagineflint.com/PlanImplementation/ChoiceNeighborhoods.aspx

Match Requirements

The program requires applicants to leverage resources through cost sharing and matching. Recipients must have matching funds in an amount equal to five percent of the grant in either cash or in-kind donations by the end of the grant term. Moreover, grantees will be required to demonstrate that the matching resources were received and used for their intended purposes.

Early Childhood Case Studies

Tampa, Florida – Early Childhood Education Center

The Housing Authority of Tampa received a Choice Neighborhood grant of $30 million for the 2012 grant round to target the Central Park Village neighborhood, leveraging $78 million in matching funds for the project. Its key partners included the City of Tampa, the Central Park Development Group, and local educational institutions including the Hillsborough County School District. Funders included the City of Tampa, Hillsborough County, and Hillsborough Community College. As part of its redevelopment plan, a new early childhood education center run by Hillsborough County Public Schools (HCPS) will be built. In 2009, HCPS also received a Gates Foundation grant, used to provide focused training to restructure the neighborhood's schools. Additionally, the University of South Florida is developing a two-acre farm in the area to provide health education opportunities and house its GAIN (Gardening, Academic Improvement, and Nutrition) program.

Grant detail: portal.hud.gov/hudportal/documents/huddoc?id=CN2012ProjectSummaries.pdf

Boston, Massachusetts – Local Education Transformation Plan

The City of Boston and Dorchester Bay Economic Development Corporation received $20.5 million in Choice Neighborhood grant funds to develop the Dorchester neighborhood's Woodledge/Morrant Bay Apartment project during FY2011. Its key partners included Boston Public Schools and Project R.I.G.H.T – a community organization focused on supporting and assisting neighborhood leadership with community-building efforts. Its funders included the Commonwealth of Massachusetts, the Federal Home Loan Bank, and the U.S. Department of Education. This redevelopment formed part of a city-wide Circle of Promise education transformation plan. It seeks to improve early learning quality and accessibility through aggressive interventions, including extended learning programs, improved data integration, and community engagement. Part of these activities are also funded by a Promise Neighborhoods grant.

Grant detail: portal.hud.gov/hudportal/documents/huddoc?id=CNFY2010-2011.pdf

Major Program Changes since 2000

The Choice Neighborhoods Initiative, which began in 2010, supersedes and expands HOPE VI, HUD's long-running program for distressed housing replacement. This initiative expanded on HOPE VI's capabilities by extending eligibility beyond public housing to privately-owned, federally subsidized developments. Also, unlike HOPE VI, Choice Neighborhoods funds neighborhood improvement projects.

The most notable change to the structure of the program is the creation of the Planning and Action Grant, as described above, which enables momentum to be built and leverage to be gained by the grantee organization by allowing limited actions to be taken during the Planning phase. An additional $5 million has been approved for the initiative to fund the new grant category.

Program Administration

The program is administered by the White House Neighborhood Revitalization Initiative, an interagency partnership between the U.S. Department of Housing and Urban Development, the executive lead department, and the U.S. Departments of Education, Health and Human Services, Justice, and Treasury. The program is wholly federally administered.

Federal-Level: Office of Public and Indian Housing
Mindy Turbov, Director – Office of Public and Indian Housing
U.S. Department of Housing and Urban Development
Phone: 202-402-5461
E-mail: choiceneighborhoods@hud.gov
Website: www.hud.gov/cn

References

Catalog of Federal Domestic Assistance summary information:
www.cfda.gov/index?s=program&mode=form&tab=core&id=ced8cc4f524c00c4fd87919de4b6f240

Authorizing Legislation:
thomas.loc.gov/cgi-bin/query/z?c111:H.R.5814:

Information on Funding Availability:
Planning Grants
portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/cn/fy15funding

Implementation Grants
portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/cn/fy16funding

Review of Program History:
www.urban.org/sites/default/files/alfresco/publication-pdfs/412940-A-Brief-Look-at-the-Early-Implementation-of-Choice-Neighborhoods.PDF

Promise Neighborhoods

CFDA 84.215P and 84.215N Promise Neighborhoods Planning and Implementation Grants

Program Goals and Purpose

Funding under the Promise Neighborhoods program is available for both the planning and implementation of initiatives that aim to improve both the educational and developmental outcomes for children living in highly distressed communities. The purpose of the program is to transform those communities by achieving the following program goals:

- Identifying and increasing the capacity of eligible entities that are focused on achieving results for children and youth throughout an entire neighborhood.
- Building a complete continuum of cradle-to-career solutions of both educational programs and family and community supports, with great schools at the center.
- Integrating programs and breaking down agency "silos" so that solutions are implemented effectively and efficiently across agencies.
- Developing the local infrastructure of systems and resources needed to sustain and scale up proven, effective solutions across the broader region beyond the initial neighborhood.
- Learning about the overall impact of the Promise Neighborhoods program and about the relationship between particular strategies in Promise Neighborhoods and student outcomes, including through a rigorous evaluation of the program.

Eligible Activities

Between FY2010 and FY2012, grant funding was awarded for both planning and implementation grants under the program. A number of implementation grants are ongoing, but no new funding has been awarded under the program since FY2012.

Planning grants supported the development of feasible plans to create a continuum of solutions with the potential to significantly improve the educational and developmental outcomes of children and youth in a neighborhood. Planning grant funding supported the following priority activities:

- Undertaking a comprehensive needs assessment and segmentation analysis examining available data on educational and family/community support needs of children and youth in the defined neighborhood.
- Development of a plan with community support and involvement to deliver a continuum of solutions with the potential to drive results.
- Establishment of effective partnerships both to provide solutions along the continuum and to commit resources to sustain and scale up what works.
- Planning, building, adapting, or expanding a longitudinal data system to provide information for learning, continuous improvement, and accountability.

Implementation grants supported eligible organizations in carrying out their plans to create a continuum of solutions to improve the educational and developmental outcomes of children and youth in the target neighborhood. Priority activities required under implementation grants included:

- Implementation of a continuum of solutions to address neighborhood challenges identified through the needs assessment and segmentation analysis conducted during planning.
- Continuation and strengthening of partnerships to provide solutions along the continuum of

solutions and to commit resources to sustain and scale up what works.
- Data collection on indicators at least annually, and the use and improvement of a longitudinal data system for learning, continuous improvement, and accountability.
- Demonstration of progress on goals for improving systems through reforms such as changes in policies and organizations and the leveraging of resources to sustain and scale up what works.

Eligible Recipients

Applicant Eligibility: Non-profit organizations, including faith-based organizations, institutions of higher education, and Indian tribes are eligible to apply for program funding. To be eligible for an award, an applicant must meet all of the following conditions:

- Operate or propose to work with and involve in carrying out its proposed project, in coordination with the school's LEA, at least one public elementary or secondary school that is located within the identified geographic area that the grant will serve.
- Currently provide at least one of the solutions from the applicant's proposed continuum of solutions in the geographic area proposed to be served.
- Be representative of the geographic area proposed to be served by ensuring that residents of the geographic area have an active role in decision-making and that at least one-third of the entity's governing board or advisory board is made up of some combination of (a) residents who live in the geographic area proposed to be served; (b) residents of the city or county in which the neighborhood is located who are low-income; or (c) up to one-half of the board may be public officials who serve the geographic area proposed to be served.

Funding and Award Process

Grant funding was awarded in FY2010, FY2011, and FY2012 through a competitive grant process. The U.S. Department of Education established a list of program priorities to which applications were to adhere.

For planning grants, grant applications had to propose to develop a Promise Neighborhood plan describing a neighborhood's needs and a strategy to build a continuum of solutions including high-quality early learning programs and comprehensive education reforms. For implementation grants, applications had to contain a plan to create a Promise Neighborhood and actually build and implement the proposed continuum of solutions.

The department also outlined secondary priority areas that could serve as priorities within an individual grant competition for either planning or implementation grants. These included the development of a comprehensive local early learning network; ensuring quality Internet connectivity for neighborhood students at home and in school; enhancing opportunities for participation in the arts and humanities; promoting affordable housing by jointly serving areas designated as "Choice Neighborhoods"; and collaborating with adult education providers to enhance family learning opportunities.

Grant applications were evaluated based on program selection criteria for projects which included:

- Established need for the project in terms of the severity of the problem to be addressed and the definition of a geographic area to be served
- Quality of project design in creating a continuum of services aligned with an improvement strategy for neighborhood schools that leverage existing neighborhood assets.

- Quality of project services in terms of their alignment with needs assessments and evidence-based solutions.
- Quality of management plan in facilitating collaboration with neighborhood residents, government officials and service providers, integrating funding streams, and collecting and analyzing data for decision-making.

As summarized in **Table 17**, over $30 million in planning grants were awarded over the three year period in which grant competitions were conducted. Over $267 million was also awarded in the form of five-year implementation grants.

Table 17
History of Promise Neighborhood Grant Awards

	1-Year Planning Grants		5-Year Implementation Grants	
	Awards	Total Funding	Awards	Total Funding
FY2012	10	$4,711,600	7	$161,357,984
FY2011	15	$21,683,906	5	$106,058,498
FY2010	21	$24,096,996	0	$0

Grants to Michigan entities

Two Michigan organizations were awarded planning grants under the program, but neither organization was eventually selected for a full implementation grant. The Michigan planning grant recipients were:

- Black Family Development, Inc. – awarded a $500,000 planning grant in FY2011 towards the creation of an Osborn/Clark Park Promise Neighborhood involving the neighborhoods surrounding five schools within the Detroit Public School system.
- The Guidance Center - $500,000 planning grant in FY2010 to establish the River Rouge Promise Neighborhoods Initiative

Match Requirements

Planning grants: In general, applicants must demonstrate that they have established commitments for matching funds or in-kind donations for the planning process equal to at least 50 percent of their grant awards. For grants affecting rural or tribal communities, matching funds or in-kind donations equal to at least 25 percent of the grant award must be obtained.

Implementation grants: In general, applicants must demonstrate that they have established commitments for matching funds or in-kind donations for the implementation process equal to at least 100 percent of its grant award. For grants affecting rural or tribal communities, matching funds or in-kind donations equal to at least 50 percent of the grant award must be obtained. At least ten percent of an applicant's total match for an implementation grant must be cash or in-kind contributions from the private sector, which may include philanthropic organizations, private businesses, or individuals.

For both type of grants, commitments of matching funds or in-kind donations must come from one or more entities in the public or private sector, including federal, state, and local public agencies, philanthropic organizations, private businesses, or individuals.

Waiver of Matching Requirement: The U.S. Department of Education has the authority to decrease the matching requirement on a case-by-case basis and "in the most exceptional circumstances". An applicant that is unable to meet the matching requirement must include in its application a request to the Secretary to reduce the matching level requirement, including the amount of the requested reduction and a statement of the basis for the request. The Secretary's decision to decrease the match amount will depend on the individual facts presented in an eligible applicant's request.

Early Childhood Case Studies

Washington D.C. – DC Promise Neighborhood Initiative

The Washington, D.C. Promise Neighborhood Initiative, with partners including Georgetown University, the Urban Institute, ASCEND, and America's Promise Alliance, received $25 million in grant funding for 2012 from the Promise Neighborhood Fund for a five-year plan to transform education in Kenilworth-Parkside neighborhood. The organization was funded to provide wraparound services and support to families across Neval Thomas Elementary, Kenilworth Elementary, Chavez Parkside Middle School, and Chavez Parkside High School. Interventions are targeted to both vulnerable children and their parents, including adult education initiatives, providing programming for infants and toddlers, delivering services to local community centers, and providing job readiness and stabilization courses and training to parents of young children.

Project website: dcpni.org

Grant application: www2.ed.gov/programs/promiseneighborhoods/2012/appdcpni.pdf

San Francisco, California – Mission Promise Neighborhood

The Mission Economic Development Agency of San Francisco, California, also submitted and received a grant for 2012 from the Promise Neighborhood fund. They partnered with the San Francisco Unified School District, the San Francisco Mayor's Office, the John W. Gardner Center, and United Way of the Bay Area. The initiative targeted Cesar Chavez Elementary School and Bryant Elementary School, as well as the local middle and high schools, to transform or turnaround their Persistently Low-Achieving performance status. The Promise Neighborhood has been implementing programs designed to improve kindergarten readiness, academic proficiency, college readiness, chronic absence, and technology access outcomes.

Project website: missionpromise.org/about-mpn/

Grant application: www2.ed.gov/programs/promiseneighborhoods/2012/appmission.pdf

Major Program Changes since 2000

No new Promise Neighborhood grants have been awarded since FY2012, although continuation funding was provided to existing grantees. However, new authorization for the program was included in the recent Congressional reauthorization of the Elementary and Secondary Education Act. The reauthorization provides roughly $70 million each year between FY2017 and FY2020 for additional grants under the Promise Neighborhoods program as well as for the planning, implementation, and operations of "full-service community schools".

The reauthorized Promise Neighborhood program would make grant funding available to (1) institutions of higher education, (2) Indian tribes and tribal organizations, and (3) nonprofit entities working in collaboration with either a high-need local school district, institution of higher education, local government, and/or Indian tribe. Grantees would be responsible for implementing a comprehensive continuum of services aimed at improving academic and developmental outcome for children in very distressed communities whose schools are implementing Title I comprehensive or targeted support activities. The grants would have to be matched 100 percent with other federal, state, local, or private funding.

Grants for full-service community schools would be made available to consortia of local school districts and other partnering community-based organizations, nonprofit organizations, or other public or private entities. Grants would support community-based efforts to coordinate and integrate educational, developmental, family, health, and other comprehensive services through community-based organizations and public-private partnerships.

Grants under both programs could have a duration of up to five years, with a possible two year extension. Continuation funding beyond year three would be contingent upon meeting specified outcome measures. The statute requires at least three Promise Neighborhood grants and ten full-service community school grants in each of the four fiscal years.

Program Administration

The program is administered by the U.S. Department of Education's Office of Innovation and Improvement.

Federal-Level: Office of Innovation and Improvement
Elson Nash, Director – Parental Options and Improvement Division
U.S. Department of Education
Phone: 202-453-6615
E-mail: promiseneighborhoods@ed.gov
Website: www2.ed.gov/programs/promiseneighborhoods

References

Every Student Succeeds Act (reauthorizes Promise Neighborhood grants at Title IV, Part F)
www.gpo.gov/fdsys/pkg/BILLS-114s1177enr/pdf/BILLS-114s1177enr.pdf

Priorities and Selection Criteria for Promise Neighborhood Grants:
www.gpo.gov/fdsys/pkg/FR-2011-03-10/pdf/2011-5543.pdf

List of Promise Neighborhood Grant Awards:
www2.ed.gov/programs/promiseneighborhoods/awards.html

Social Innovation Fund

CFDA 94.019 Social Innovation Fund
CFDA 94.029 Social Innovation Fund Pay for Success

Program Goals and Purpose

The Social Innovation Fund (SIF) is administered by the Corporation for National and Community Service (CNCS). Its purpose is to identify and invest in organizations that can demonstrate socially innovative impacts in low-income communities through the development of a potentially transformative practice or approach to meeting critical needs. The end goal of the program is to accelerate the spread of promising solutions to address local and national challenges. Awards under this program focus on:

- Improving measurable outcomes in the areas of economic opportunity for disadvantaged individuals.
- Preparing youth for scholastic success, productive work, active citizenship, and healthy and safe lives.
- Promoting healthy lifestyles and reducing health risk factors.

Eligible Activities

The program provides grant funding to qualifying intermediary organizations to support grant-making to nonprofit community organizations that propose innovative interventions that target one or more of the issue areas listed below:

- **Youth Development:** Preparing America's youth for success in school, active citizenship, productive work, and healthy and safe lives, including crime reduction initiatives focused on juvenile delinquency and victimization prevention and response.
- **Economic Opportunity**: Increasing economic opportunities for economically disadvantaged individuals.
- **Healthy Futures**: Promoting healthy lifestyles and reducing the risk factors that can lead to illness.

Interventions supported by recipients and their subgrantees must be innovative and evidence-based. Interventions must have advanced beyond the beginning stages, be showing signs of effectiveness, and have potential for greater scale. Additionally, these funded interventions must then undergo formal evaluations that substantively advance the knowledge base of the sector. Funded recipients shall then document and disseminate best practices and lessons learned through the SIF's Knowledge Sharing Program.

Intermediary organizations are required to select subgrantees on a competitive basis, using an open competition available to nonprofit community organizations beyond their own network. Additionally, these organizations are encouraged to direct grant funds toward programs that will not receive grants for the same activities from other federal innovation funds. Each subgrant is awarded based on the criteria set by their intermediary organization, who set their guidelines with the advice and consent of the SIF and CNCS leadership.

There are two basic operational models for funded projects:

(1) a "**Geographically-Based Social Innovation Fund**" serves low-income communities within a specific local geographic area and focuses on achieving measurable outcomes in one or more of the SIF's issue areas.

(2) an "**Issue-Based Social Innovation Fund**" serves low-income communities in multiple geographic locations and focuses on achieving measurable outcomes in one of the Social Innovation Fund's issue areas.

Restrictions on Funding

CNCS will not make SIF awards to programs in the following areas unless they clearly propose a solution to an unmet need that cannot be funded through other programs or executive departments, such as the U.S. Departments of Education, Health and Human Services, and Labor:

- Education
- Teen pregnancy prevention
- Home visiting
- Health care delivery
- Employment delivery
- Training system delivery

Eligible Recipients

Applicant Eligibility: Funds are awarded directly to intermediary organizations, who then award subgrants to nonprofit community organizations working to address priority issues. Intermediaries must demonstrate an ability to identify innovative solutions; to invest in growth and replication; have a record of using evidence to select, invest in, and monitor the growth of their grantees; have expertise and impact in the SIF's issue areas of focus; and have depth and breadth of relationships with stakeholders in the issue area or in the region for which funding will serve.

Eligible subgrantees must be nonprofit community organizations, including 501(c)(3) and 170(c)(2) organizations under the Internal Revenue Code. All recipients and subrecipients must demonstrate the following characteristics:

- **High performance organizations**: Organizations must be well-run with capable leadership, be financially healthy, have clear goals and objectives, collect quality data and use this data to understand functional efforts and make adjustments to their approach.
- **Innovative organizations**: Organizations must use new ways to solve old problems that are data-driven, faster, and cost-effective.
- **Serve low-income communities**: Low-income communities are defined as those with a population of individuals or households with (a) household income at 200 percent or less of the federal poverty level, or (b) measurable indicators correlating to lower incomes, such as persons qualifying for free or reduced lunch, long-term unemployment, risk of homelessness, low school achievement, persistent hunger, or serious mental illness. Applicants must demonstrate data citations and provide descriptions of the targeted community they claim meets the indicators.
- **Significant philanthropic underservice:** Entities that carry out activities in low-income communities that have considerably less than the average number of active philanthropic investments as similarly populated communities.

Funding and Award Process

Grant-making institutions seeking funding can be awarded between $1 million and $10 million per year for up to five years. Recipients must award at least $100,000 annually to each selected subrecipient for a period of between three and five years. At least 80 percent of federal funds awarded to grant-making institutions must be invested in subrecipient programs.

CNCS enables applicants to include administrative costs in grant budgets. Cooperative agreements are utilized with grant-making institutions. Within these agreements, CNCS has substantial involvement in setting parameters for subrecipient selection; developing and approving subrecipient selection; implementation, evaluation, growth, and analysis plans; and reviewing prospective subrecipients and supporting evidence of program effectiveness.

Grants to Michigan entities

The United Way of Southeastern Michigan (UWSEM) received $6 million in SIF funding over the three-year period ending in 2013. The UWSEM award focused on early childhood development efforts within ten needy communities in the Metropolitan Detroit region, including Wayne, Oakland, and Macomb Counties. The project was also supported by funding from the General Motors Foundation, the W.K. Kellogg Foundation, the Max and Marjorie Fisher Foundation, the Kresge Foundation, the William and Lisa Ford Foundation, the Applebaum Family Compass Fund, the Stone Family Foundation, the Ford Motor Company, and FirstMerit Bank.

The combined federal and matching funds supported subgrants to eleven different nonprofit community organization used to finance an array of different early childhood efforts, including programs promoting healthy behaviors, early literacy programs, parenting skills and engagement, home visiting efforts, community resource and referral initiatives, the expansion of arts-infused education in Head Start classrooms, and school readiness programming aimed at low-income, immigrant families.

Table 18
United Way of Southeastern Michigan Sub-grantees under SIF Grant Funding

Nonprofit organization	Program	Initial Award
Arab Community Center for Economic and Social Services	ACCESS School Readiness Project	$219,145
Detroit Parent Network	Pathways to Literacy	$250,000
Detroit Public Television	Video-Based Parent/Caregiver Engagement	$152,845
Guidance Center	Family/Community Engagement Initiative	$235,000
Living Arts	El Arte Early Learning Project	$100,000
Macomb Intermediate School District	Ready Schools, Ready Communities	$175,947
Matrix Human Services	Born to Succeed	$250,000
National Kidney Foundation of Michigan	Project for Early Childhood Health (PEACH)	$250,000
Southwest Counseling Solutions	English Language Learners Program	$126,000
Starfish Family Services	Inkster Family Literacy Movement	$250,000
Vanguard Community Development Center	Early Learning Communities	$175,000
TOTAL FUNDING		**$2,183,937**

Source: UWSEM Social Innovation Fund: liveunitedsem.org/pages/the-social-innovation-fund

Match Requirements

SIF intermediaries must match their grants dollar-for-dollar, in cash, with non-federal funding. At the time of their application, SIF applicants must demonstrate the ability to meet 50 percent of their first year match requirement. Further, subrecipients that receive funding from SIF intermediaries must also match their individual grant awards on the same dollar-for-dollar cash basis from non-federal sources.

Early Childhood Case Studies

Early Literacy Social Innovation Fund - Colorado

Mile High United Way of Colorado secured Social Innovation Fund grant awards of $1.8 million per year between 2011 and 2014 to coordinate the work of ten different service providers to expand access to early literacy services using trained volunteer tutors for one-on-one support. Services are targeted to reverse poor educational outcomes for students in nine Colorado counties, focusing in particular on students from low-income households and English language learners. Along with training and service delivery, grant funds will support a rigorous program evaluation to measure results against measurable goals, which include a 25 percent increase in third grade reading proficiency by 2016.

Website: www.unitedwaydenver.org/social-innovation-fund

Reading Partners Program: Early Literacy

The Reading Partners program operates an early childhood literacy program through school-based reading centers in low-income communities. In 2011, the program was awarded a three-year, $3.5 million SIF grant from the Edna McConnell Clark Foundation, an SIF intermediary. The program provides one-on-one literacy tutoring to elementary school students who are between six and 30 months behind their grade level in reading with the goal of moving these children to grade-level reading proficiency by the fourth grade. Trained volunteers provide the tutoring services on a twice-weekly basis during and after the school day. Reading centers are managed by AmeriCorps staff. A program evaluation showed participants experienced statistically significant gains in reading proficiency equal to 1½ to 2 months over the course of a single academic year when compared to other similar supplementary reading programs. The program was identified as an early success story for the SIF in a June 2015 research report by the Social Innovation Research Center and currently operates in ten states and the District of Columbia.

Website: readingpartners.org

Major Program Changes since 2000

The Social Innovation Fund was launched in 2009 and has provided funding under five different rounds of SIF grants starting in 2010 and up to the most recent grant competition in 2015. To date, 35 grants have been awarded through the five open grant competitions.

Pay for Success Program

In 2014, the CNCS launched a pilot program, Pay for Success (PFS), being administered under SIF as a strategy to increase investments in effective social interactions. It leverages philanthropic and private dollars to fund innovative services up front, providing a return on this investment after results are generated. Awards under the program can be made to provide technical assistance to assess the feasibility and develop

PFS capacity or to directly structure PFS transactions.

The goals of the PFS program are to:

- Strengthen and diversify the pipeline of governments and nonprofit organizations that are prepared to engage in PFS projects.
- Assess the potential of PFS to address a variety of social issues relating to diverse populations in diverse geographic contexts.
- Attract capital to high-performing institutions seeking to strengthen, grow, and sustain effective solutions for challenges facing low-income communities.

Each recipient intermediary organization is awarded between $200,000 and $1.8 million per year over a three year project period, and is subject to the same 100 percent cash matching requirement required under regular SIF funding. Under the initial round of PFS grant awards in 2014, eight grantees shared awards under the pilot program.

Program Administration

The Social Innovation Fund program is administered at the federal level by the Corporation for National and Community Service.

Federal-Level: Corporation for National and Community Service
Damian Thorman, Director – Social Innovation Fund
Corporation for National and Community Service
Phone: 202-606-3223
E-mail: innovation@cns.gov
Website: www.nationalservice.gov/programs/social-innovation-fund

References

Social Innovation Fund Authorizing Legislation:
www.law.cornell.edu/uscode/pdf/uscode42/lii_usc_TI_42_CH_129_SC_I_DI_H_PA_III_SE_12653k.pdf

Current Grant Competitions:
www.nationalservice.gov/programs/social-innovation-fund/grant-competitions/

2015 Fact Sheet on SIF Funding Competition:
www.nationalservice.gov/sites/default/files/documents/2015%20SIF%20NOFA%20Fact%20Sheet%202.6.pdf

SIF Knowledge Initiative (Results and Lessons Learned from SIF Projects):
www.nationalservice.gov/programs/social-innovation-fund/knowledge-initiative

SIF Funded Organizations:
www.nationalservice.gov/programs/social-innovation-fund/funded-organizations

Appendices

Appendix 1
FY2015 Child Development and Care Program Children Served and Payments by County

County	Avg Monthly Children Served	Total Payments	% of Total Payments
Alcona	21	$79,674	0.08%
Alger	12	34,577	0.03
Allegan	189	649,488	0.62
Alpena	95	287,252	0.27
Antrim	41	128,183	0.12
Arenac	53	177,508	0.17
Baraga	12	30,400	0.03
Barry	93	313,034	0.30
Bay	503	1,536,304	1.46
Benzie	13	33,710	0.03
Berrien	568	1,890,780	1.80
Branch	98	347,504	0.33
Calhoun	464	1,695,086	1.62
Cass	135	462,431	0.44
Charlevoix	59	186,933	0.18
Cheboygan	54	164,460	0.16
Chippewa	100	269,724	0.26
Clare	77	229,261	0.22
Clinton	110	426,592	0.41
Crawford	37	91,389	0.09
Delta	99	317,155	0.30
Dickinson	69	181,965	0.17
Eaton	283	1,084,248	1.03
Emmet	63	209,793	0.20
Genesee	2,557	8,622,465	8.22
Gladwin	93	266,360	0.25
Gogebic	29	92,985	0.09
Grand Traverse	191	665,071	0.63
Gratiot	122	414,851	0.40
Hillsdale	104	384,638	0.37
Houghton	54	169,028	0.16
Huron	99	308,491	0.29
Ingham	854	3,273,822	3.12
Ionia	137	489,027	0.47
Iosco	73	242,634	0.23
Iron	8	22,425	0.02
Isabella	131	428,699	0.41
Jackson	543	1,955,210	1.86
Kalamazoo	806	2,783,130	2.65
Kalkaska	56	202,158	0.19
Kent	1,789	6,300,822	6.00
Keweenaw	6	22,572	0.02
Lake	43	133,441	0.13
Lapeer	240	843,437	0.80
Leelanau	23	82,432	0.08
Lenawee	353	1,289,422	1.23
Livingston	200	736,148	0.70
Luce	8	15,433	0.01
Mackinac	12	31,827	0.03
Macomb	1,552	5,457,449	5.20
Manistee	40	119,761	0.11
Marquette	146	414,927	0.40
Mason	147	497,706	0.47
Mecosta	126	452,355	0.43
Menominee	46	104,919	0.10
Midland	201	665,912	0.63
Missaukee	25	73,511	0.07
Monroe	322	1,075,761	1.02
Montcalm	125	436,741	0.42
Montmorency	9	35,977	0.03
Muskegon	1,044	3,527,351	3.36
Newaygo	170	635,670	0.61
Oakland	1,812	6,923,946	6.60
Oceana	65	246,708	0.24
Ogemaw	63	211,497	0.20
Ontonagon	4	13,525	0.01
Osceola	81	267,049	0.25
Oscoda	10	24,925	0.02
Otsego	128	397,478	0.38
Ottawa	400	1,572,859	1.50
Presque Isle	21	68,300	0.07
Roscommon	38	106,917	0.10
Saginaw	1,364	4,473,681	4.26
Sanilac	120	436,396	0.42
Schoolcraft	17	32,738	0.03
Shiawassee	158	502,352	0.48
St. Clair	427	1,359,614	1.30
St. Joseph	169	628,855	0.60
Tuscola	168	504,755	0.48
Van Buren	198	706,225	0.67
Washtenaw	584	2,204,740	2.10
Wayne	7,920	29,683,283	28.28
Wexford	124	436,682	0.42
Unassigned	26	90,844	0.09
STATEWIDE	**29,624**	**$104,955,386**	**100.00%**

Source: Michigan Department of Health and Human Services

Appendix 2
FY2016 Great Start Readiness Allocations

District	Funded Half Day Slots	GSRP Funding Allocation	% of Total Funding
Allegan Area ESA	499	$1,808,875	0.78%
Alpena-Montmorency-Alcona ESD	346	1,254,250	0.54
Barry ISD	255	924,375	0.40
Bay-Arenac ISD	999	3,621,375	1.55
Berrien RESA	729	2,642,625	1.13
Branch ISD	192	696,000	0.30
C.O.O.R. ISD	612	2,218,500	0.95
Calhoun ISD	1,546	5,604,250	2.41
Charlevoix-Emmet ISD	423	1,533,375	0.66
Cheboygan-Otsego-Presque Isle ESD	255	924,375	0.40
Clare-Gladwin RESD	466	1,689,250	0.73
Clinton County RESA	369	1,337,625	0.57
Copper Country ISD	158	572,750	0.25
Delta-Schoolcraft ISD	170	616,250	0.26
Dickinson-Iron ISD	92	333,500	0.14
Eastern Upper Peninsula ISD	307	1,112,875	0.48
Eaton ISD	483	1,750,875	0.75
Genesee ISD	3,270	11,853,750	5.09
Gogebic-Ontonagon ISD	80	290,000	0.12
Gratiot-Isabella RESD	571	2,069,875	0.89
Hillsdale ISD	414	1,500,750	0.64
Huron ISD	202	732,250	0.31
Ingham ISD	1,906	6,909,250	2.97
Ionia ISD	324	1,174,500	0.50
Iosco RESA	212	768,500	0.33
Jackson ISD	1,135	4,114,375	1.77
Kalamazoo RESA	2,094	7,590,750	3.26
Kent ISD	5,886	21,336,750	9.16
Lapeer ISD	366	1,326,750	0.57
Lenawee ISD	571	2,069,875	0.89
Lewis Cass ISD	226	819,250	0.35
Livingston ESA	652	2,363,500	1.01
Macomb ISD	3,216	11,658,000	5.00
Manistee ISD	188	681,500	0.29
Marquette-Alger RESA	142	514,750	0.22
Mecosta-Osceola ISD	395	1,431,875	0.61
Menominee ISD	97	351,625	0.15
Midland County ESA	466	1,689,250	0.73
Monroe ISD	686	2,486,750	1.07
Montcalm Area ISD	634	2,298,250	0.99
Muskegon Area ISD	1,518	5,502,750	2.36
Newaygo County RESA	719	2,606,375	1.12
Oakland Schools	5,797	21,014,125	9.02
Ottawa Area ISD	1,424	5,162,000	2.22
Saginaw ISD	1,672	6,061,000	2.60
Sanilac ISD	402	1,457,250	0.63
Shiawassee RESD	591	2,142,375	0.92
St. Clair County RESA	942	3,414,750	1.47
St. Joseph County ISD	739	2,678,875	1.15
Traverse Bay Area ISD	1,124	4,074,500	1.75
Tuscola ISD	461	1,671,125	0.72
Van Buren ISD	640	2,320,000	1.00
Washtenaw ISD	1,404	5,089,500	2.18
Wayne RESA	14,193	51,449,625	22.08
West Shore ESD	642	2,327,250	1.00
Wexford-Missaukee ISD	365	1,323,125	0.57
TOTALS	**64,267**	**$232,967,875**	**100%**

Source: Michigan Department of Education

Appendix 3
FY2015 Head Start Grant Awards in Michigan

Grant Recipient	Recipient City	Award
Adrian City School District	Adrian	$3,433,752
Alger Marquette Community Action Board	Marquette	2,486,737
Allegan County Resource Development Committee Inc.	Allegan	3,056,637
Baraga-Houghton-Keweenaw Child Development Board Inc.	Houghton	4,061,323
Blue Water Community Action	Port Huron	3,134,003
Branch Intermediate School District	Coldwater	2,469,548
Capital Area Community Services Inc.	Lansing	14,384,295
Carman School District	Flint	1,082,803
Child Development Services of Ottawa County Inc.	Holland	3,370,554
Chippewa Luce Mackinac Community Action Agency Inc.	Sault Ste Marie	3,101,565
Community Action Agency of South Central Michigan	Battle Creek	6,922,968
Dickinson Iron Intermediate School District	Iron Mountain	1,886,711
EightCAP Community Action Program Inc.	Greenville	7,833,891
FiveCAP Inc.	Scottville	3,204,642
Genesee County Community Action Agency	Flint	7,491,971
Genesee Intermediate School District	Flint	8,837,299
Gogebic-Ontonagon Community Action Agency	Ironwood	1,110,553
Grand Traverse Band Of Ottawa-Chippewa Indians	Suttons Bay	850,344
Human Development Commission	Caro	1,743,228
Inter-Tribal Council Of Michigan Inc.	Sault Ste Marie	4,935,683
Kalamazoo Regional Educational Service Agency	Portage	4,691,610
Livingston Intermediate School District	Howell	1,229,546
Macomb County	Clinton Twp	8,828,672
Matrix Human Services	Detroit	25,265,778
Menominee Delta Schoolcraft Community Action Agency Inc.	Escanaba	3,085,498
Metropolitan Children & Youth Inc.	Detroit	8,063,053
Michigan Family Resources	Grand Rapids	12,284,025
Mid-Michigan Community Action Agency Inc.	Clare	1,646,921
Monroe County Intermediate School District	Monroe	2,685,146
Muskegon Area Intermediate School District	Muskegon	7,683,356
New St. Paul Tabernacle Head Start Agency Inc	Detroit	8,350,393
Northeast Michigan Community Service Agency Inc.	Alpena	18,683,051
Northwest Michigan Community Action Agency Inc	Traverse City	8,216,921
Oakland/Livingston Human Services Agency	Pontiac	10,818,863
Order of the Fishermen Ministry Head Start Program Inc.	Detroit	4,095,666
Region II Community Action Agency	Jackson	7,754,116
Saginaw Intermediate School District	Saginaw	8,976,742
Sault Ste Marie Tribe of Chippewa Indians	Sault Ste Marie	1,154,302
Southfield Public Schools	Southfield	1,320,294
St Joseph County Intermediate School District	Centreville	743,707
Starfish Family Services	Inkster	16,618,116
Tri County Council for Child Development	Paw Paw	8,257,849
Washtenaw Intermediate School District	Ann Arbor	3,605,496
Wayne County Department of Health & Community Services	Westland	26,038,034
MI Department of Education - Collaboration Project	Lansing	225,000
Wayne State University - Research Grant	Detroit	292,147
TOTAL HEAD START GRANT AWARDS		**$286,012,809**

Source: U.S. Department of Health and Human Services

Appendix 4
2014-2015 Individuals with Disabilities Education Act Funding

District	Part B Formula Grant	Part B Preschool	Part C	Total Funding	% of Total Funding
Allegan Area ESA	$3,092,071	$85,168	$112,723	$3,289,962	0.88%
Alpena-Montmorency-Alcona ESD	1,432,825	34,504	66,584	1,533,913	0.41
Barry ISD	1,066,715	31,470	63,362	1,161,547	0.31
Bay-Arenac ISD	4,118,638	171,216	127,876	4,417,730	1.18
Berrien RESA	6,275,664	191,966	170,835	6,638,465	1.78
Branch ISD	1,534,013	38,215	74,136	1,646,364	0.44
C.O.O.R. ISD	1,982,725	119,604	79,955	2,182,284	0.58
Calhoun ISD	5,704,137	45,535	159,841	5,909,513	1.58
Charlevoix-Emmet ISD	2,070,501	36,454	86,228	2,193,183	0.59
Cheboygan-Otsego-Presque Isle ESD	2,088,103	58,252	82,467	2,228,822	0.60
Clare-Gladwin RESD	2,022,957	52,045	83,481	2,158,483	0.58
Clinton County RESA	2,306,743	59,163	86,228	2,452,134	0.66
Copper Country ISD	1,431,248	71,445	77,201	1,579,894	0.42
Delta-Schoolcraft ISD	1,728,882	63,419	74,315	1,866,616	0.50
Dickinson-Iron ISD	1,335,853	59,516	64,806	1,460,175	0.39
Eastern Upper Peninsula ISD	1,637,960	93,155	77,526	1,808,641	0.48
Eaton ISD	3,022,220	442,434	105,309	3,569,963	0.95
Genesee ISD	16,338,392	19,140	356,305	16,713,837	4.47
Gogebic-Ontonagon ISD	705,279	152,119	48,317	905,715	0.24
Gratiot-Isabella RESD	3,370,040	127,369	109,992	3,607,401	0.96
Hillsdale ISD	1,578,701	57,692	77,201	1,713,594	0.46
Huron ISD	1,180,998	40,062	61,483	1,282,543	0.34
Ingham ISD	10,635,189	48,699	273,142	10,957,030	2.93
Ionia ISD	2,661,799	311,656	98,048	3,071,503	0.82
Iosco RESA	1,191,444	107,727	61,775	1,360,946	0.36
Jackson ISD	5,701,626	39,232	162,996	5,903,854	1.58
Kalamazoo RESA	7,433,800	217,184	228,527	7,879,511	2.11
Kent ISD	25,359,906	224,155	569,716	26,153,777	6.99
Lapeer ISD	2,844,896	866,392	94,553	3,805,841	1.02
Lenawee ISD	3,809,108	96,372	118,431	4,023,911	1.08
Lewis Cass ISD	1,609,702	92,144	68,759	1,770,605	0.47
Livingston ESA	5,649,215	137,400	147,286	5,933,901	1.59
Macomb ISD	29,254,853	990,977	583,548	30,829,378	8.24
Manistee ISD	915,112	30,268	50,117	995,497	0.27
Marquette-Alger RESA	2,307,992	97,538	92,926	2,498,456	0.67
Mecosta-Osceola ISD	2,264,239	52,693	92,143	2,409,075	0.64
Menominee ISD	782,855	92,777	49,427	925,059	0.25
Midland County ESA	2,968,550	23,979	100,517	3,093,046	0.83
Monroe ISD	5,476,615	114,161	143,772	5,734,548	1.53
Montcalm Area ISD	2,956,985	170,598	106,343	3,233,926	0.86
Muskegon Area ISD	7,196,744	93,710	182,644	7,473,098	2.00
Newaygo County RESA	2,137,493	263,210	82,152	2,482,855	0.66
Oakland Schools	40,557,060	95,774	802,705	41,455,539	11.09
Ottawa Area ISD	10,303,012	1,217,350	267,804	11,788,166	3.15
Saginaw ISD	7,790,326	238,050	189,822	8,218,198	2.20

Appendix 4 (continued)

District	Part B Formula Grant	Part B Preschool	Part C	Total Funding	% of Total Funding
Sanilac ISD	1,593,913	60,734	74,418	1,729,065	0.46
Shiawassee RESD	2,794,885	261,727	97,031	3,153,643	0.84
St. Clair County RESA	5,519,197	152,036	145,326	5,816,559	1.56
St. Joseph County ISD	2,524,867	92,918	102,500	2,720,285	0.73
Traverse Bay Area ISD	5,341,595	47,299	148,284	5,537,178	1.48
Tuscola ISD	2,439,878	105,810	86,749	2,632,437	0.70
Van Buren ISD	3,531,658	107,638	119,836	3,759,132	1.01
Washtenaw ISD	10,026,573	85,903	278,491	10,390,967	2.78
Wayne RESA	65,468,230	251,725	1,374,948	67,094,903	17.94
West Shore ESD	2,302,935	1,797,611	123,685	4,224,231	1.13
Wexford-Missaukee ISD	2,019,873	53,122	91,010	2,164,005	0.58
Education Achievement Authority	1,965,734	4,765		1,970,499	0.53
State Departments/MI School for the Deaf	417,820	2,573		420,393	0.11
TOTALS	**$353,780,344**	**$10,695,850**	**$9,455,602**	**$373,931,796**	**100.00%**

Source: Michigan Department of Education

Appendix 5
Early Childhood Funding Programs with Match Requirements

Program	Match Rate	In-Kind?	Details
Head Start	20% of total allowable program costs	Yes	Match spending must cover an "allowable cost" under federal rules. Cash contributions may be used as match, but only when expended. In-kind donations must be valued at market rates.
Child Care and Development Fund	34.5% of eligible costs covered by the Matching Funds component of the grant	No	State of Michigan must provide matching funds for the Matching Funds component of the federal CCDF grant, which amounted to $50.1 million for Michigan in FY2015. Michigan's cost share is based on the state's Medicaid match rate which is adjusted annually. The matching funds are provided by the State and do not directly impact child care providers.
Choice Neighborhoods	5% of federal grant amount	Yes	Matching funds must be obtained and utilized prior to the end of the grant term. Applicants must document that match funding was used for allowable purposes.
Promise Neighborhoods (Planning Grants)	50% of federal grant award (or 25% for rural/ tribal grants)	Yes	Organizations must demonstrate commitments for matching funds (including in-kind donations) at the time of application.
Promise Neighborhoods (Implementation Grants)	100% of federal grant award (or 50% for rural/ tribal grants)	Yes	Organizations must demonstrate commitments for matching funds (including in-kind donations) at the time of application. At least 10% of total match must come from the private sector, including private businesses and individuals and philanthropic organizations.
Social Innovation Fund	Non-profit Intermediary: 100% of federal grant award Sub-recipients: 100% of grant award from intermediary organization	No	Dual matching requirements apply. Non-profit intermediary organizations directly receiving federal SIF funds must meet 100% match requirement. In addition, sub-recipients receiving a grant from the intermediary organization must also meet a 100% match requirement on their individual award. All match funding must be in the form of cash. At application, an intermediary organization must demonstrate its ability to meet 50% of its first-year cash match requirement. Other type of federal funding may not be used as match.

Appendix 6
Summary of Total Funding by Program

Program	Nationwide	Michigan	Detroit	Fiscal Year
Head Start	$8,538,887,781	$286,012,809	$46,067,037 (grantees located in City of Detroit)	2015
Great Start Readiness Program		$233,591,375	$30,435,500 (all schools, including charters, within Detroit)	2016
Child Care and Development Fund	$5,379,024,454	$156,268,909	$17,500,000 (est. subsidies within City of Detroit)	2015
IDEA Part B	$11,851,086,000	$406,458,480	$67,270,606 (Wayne RESA)	2015
IDEA Part C	$438,556,000	$11,871,739	$1,374,948 (Wayne RESA)	2015
State Section 31a At-Risk Grants		$308,988,200	$22,926,757	2015
Title I Education Grants	$14,909,802,000	$467,955,245	$115,886,773	2016
TOTAL FUNDING TO MICHIGAN AND DETROIT		**$1,871,146,757**	**$301,461,621**	