

Preschool Finance Document

State Preschool Team
P-3 Office
Teaching and Learning Unit



COLORADO
Department of Education



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Purpose and Intended Audience

This document is intended to provide information about and requirements associated with accessing state general funds for the provision of preschool and special education services to preschool aged students. The document is intended to support school finance personnel, preschool administrators, special education administrators, and other leaders working in local education agencies responsible for administering publicly funded preschool programs, including the Colorado Preschool Program, Early Childhood At-Risk Enhancement Program, as well as preschool aged students enrolled in special education and therefore entitled to a Free and Appropriate Public Education (FAPE).

Executive Summary

In the state of Colorado, preschool aged children enrolled in the Colorado Preschool Program (CPP) or the Early Childhood At-Risk Enhancement (ECARE) programs, or identified with an educational disability, may generate state funds to local school districts. State funding generated by preschoolers enrolled in CPP/ECARE must be accounted for differently than general funds generated by preschoolers receiving education services under an individualized education program (IEP), and K-12th grade students. There are specific statutory differences in how funds generated by CPP/ECARE may be accessed and utilized and the proportion of funds that may be allocated to indirect costs. CPP/ECARE funding is expected to cover the costs of the preschool services for the students who generated the funding.

Three- through five-year-old students not yet age eligible to enroll in kindergarten may generate state general funds for local school districts to serve them when they qualify for and are enrolled in a CPP slot. CPP funding is meant to support high-quality, developmentally appropriate, educational experiences for children at risk for later school challenges. Each district receives a capped allotment of slots for part of their population in need; the funding is not intended to stretch beyond the children enrolled in CPP to provide universal preschool. Available funding streams including, general funds, tuition, early childhood special education funding (including the Exceptional Children’s Educational Act, Individuals with Disabilities Education Act 619 and Part B funding) are expected to be utilized to equitably serve the children represented in preschool classrooms administered by school districts.

In accordance with the School Finance Act, ECEA, and IDEA requirements, local school districts and Administrative Units serving preschool aged children under an IEP may access: (1) Preschool Special Education Per Pupil Revenue (PSPED PPR); (2) special education general funds (ECEA); and (3) federal IDEA funding for children with educational disabilities.

Important Terms and Definitions

Any reference to “district” or “school district” includes the Charter School Institute (CSI), charter schools, charter school collaborative, and Board of Cooperative Educational Services (BOCES).

AU Administrative Unit means a school district, board of cooperative education services, or the State Charter School Institute, which provides educational services to exceptional children and is responsible for the local administration of the Exceptional Children’s Education Act (ECEA).

BOCES Board of Cooperative Educational Services means a regional educational services unit designed to provide supporting, instructional, administrative, facility, community, or any other services contracted by participating members.

CCR Code of Colorado Regulations

CPP Colorado Preschool Program

C.R.S. Colorado Revised Statutes

ECARE	Early Childhood At-Risk Enhancement slots can be used to serve preschoolers or provide full-day opportunities for eligible kindergarteners. These kindergarten students generate full-time school finance revenue, half of which is funded through the Colorado Preschool Program.
ECEA	Exceptional Children’s Education Act
IDEA	Individuals with Disabilities Education Act
LEA	Local Education Agency
PPR	Per Pupil Revenue refers to a district’s total program divided by the district’s funded pupil count; this funding is provided under the Public School Finance Act of 1994
CPP PPR	Per pupil revenue for CPP funded pupil count
ECARE PPR	Per pupil revenue for ECARE funded pupil count
PSPED PPR	Per pupil revenue for Preschool Special Education funded pupil count
SFA	Public School Finance Act of 1994 or, in general, school finance act funding

Background and CDE Chart of Accounts

CPP funds should be tracked and documented within the CDE Chart of Accounts to demonstrate that they are being used in accordance with the statute and Rules. The chart of accounts was developed in response to 22-44-105 (4) C.R.S., introduced as House Bill 1213 and enacted by the legislature in 1994. The system was developed as a comprehensive budgeting, accounting and reporting code structure for use in school district financial management. Some elements of the system are required; others are available for optional use, depending on the district’s needs.

The various elements specified in the account code structure are included in compliance with applicable statutes and regulations. Colorado Revised Statutes (C.R.S.), Colorado Code of Regulations (C.C.R.), and the Code of Federal Regulations (C.F.R.) stipulate the requirements for the funds and accounts used by school districts. For preschool programming, there are specific funds, source codes, and program and grant codes. The information contained in this document, focused on state funding for preschool aged students, is tied to the CDE Chart of Accounts, in that specific grant and revenue codes expressed herein are found within the Chart of Accounts. The current CDE Financial Policies and Procedures Handbook and Chart of Accounts may be found at:

http://www.cde.state.co.us/cdefinance/fpp_coa.

In general, there is a potential for three funding classifications for preschool students: (1) CPP/Early Childhood At-Risk Enhancement (ECARE), (2) special education, and (3) tuition paid. Per statute, funding provided for CPP may only be spent to support the district’s preschool program. Services provided for students enrolled in Preschool Special Education, and preschoolers whose families pay tuition to attend, must be tracked separately from those enrolled in CPP. For example, services for Preschool Special Education charged to state and/or local funds are tracked with grant code 3130, Fund 19 can be used for tracking CPP funds, and tuition should be tracked in Fund 10. If expenditures are not separately identified, an appropriate allocation methodology between CPP, Preschool Special Education, and students for whom tuition is paid should be used (e.g., allocations should be based on the percentage of students in each classification).

The per-pupil revenue generated by students enrolled in the Colorado Preschool Program “shall only be used to pay a district’s costs of providing preschool services directly enrolled in the district’s preschool program (C.R.S. 22-28-108(5.5)).” This section of the Colorado statute details the allowable expenditures, including a limitation of indirect costs (“district overhead costs”) to 5% of the CPP revenue. Unlike other funding, CPP/ECARE funding flows directly to cover costs associated with the students in the preschool classroom and should be used each

year for the children who generated the funds. An allowance can be made to hold back up a small proportion of the yearly allocation for larger projected expenses, like playground remodeling, for example, but on the whole, the entire year's funding should be spent on the children identified as receiving CPP funds in that school year. If the expenditures do not equal or exceed the revenues received for CPP, the district must maintain a restricted fund balance (sometimes termed "carry over" or "carry forward") for the Colorado Preschool Program.

Students Enrolled in Preschool Special Education

Preschool students determined eligible to receive specialized instruction and related services under the Exceptional Children's Education Act (ECEA) may generate funding from up to three sources: PSPED PPR, ECEA, and IDEA, depending on when they are determined eligible for special education, and the date of their third birthday. These sources of funding are generated from different counts, which may be from the prior year.

To generate PSPED PPR the preschooler must be at least three years old during the semester of the pupil enrollment count date and meet any additional requirements for the Student October Count. PSPED PPR must be used to cover general education costs and can be used to cover special education and related costs that are in excess of the ECEA and IDEA funds. The amount of ECEA funds an administrative unit (AU) receives is calculated by the count of all students with a disability, including preschool students reported in the December count of the prior fiscal year. IDEA funds are allocated to AUs based on 3 factors: base payment, population and poverty. The base payment amount does not change, except for a few rare instances described in federal regulation. The population and poverty counts (Student October Count) used to calculate the AUs funding is from the prior fiscal year.

Regardless of the fiscal year or type of count (October or December) used to calculate the funding amount, funds allocated to an AU are to be used to provide the general and special education program and services necessary for the students with a disability, including preschoolers with a disability, dependent upon funding source, in the same year the funds are made available to the AU. In other words, funds received in FY 17-18 may be calculated from counts taken in FY 16-17 and/or FY 17-18, but are to be used for students enrolled in the AU in FY 17-18.

A student with a disability who is receiving services on an IEP and who has reached the age of five by the pupil enrollment count date would generally be expected to move into kindergarten with their same age peers. There may be exceptional situations (based on the child's disability and special education and related service's needs) in which an IEP team determines that a child who is eligible to enroll in kindergarten may continue to be funded in preschool.

PPR is provided for preschoolers with disabilities at .5 FTE per student under the School Finance Act (SFA) who are enrolled on or before the Student Count Date and properly submitted through the Student October Count Snapshot data submission. PPR should be used to fund the general education preschool program for students with disabilities. PPR can also be accessed to support specialized instruction and related services costs which exceed the IDEA and ECEA funds available.

Preschool students on an Individualized Education Program (IEP) are entitled to receive a Free and Appropriate Public Education (FAPE) in the Least Restrictive Environment (LRE). Most preschoolers with an IEP are offered enrollment in district administered general education preschool programs. These blended preschool classrooms are most often comprised of students between three and five years old eligible for a variety of state or federal funding or even students whose families pay tuition to attend. Some local education agencies (LEAs), rather than enrolling students in district administered preschool programs, offer the family enrollment in a preschool setting administered by a licensed community based preschool program under a contractual arrangement.

Allowable Uses of PPR for Preschool Students on an IEP (PSPED PPR)

- Teacher and paraprofessional salaries and benefits
- Specialized instruction and/or related services costs
- Costs in excess of the average annual per student expenditure in an LEA during the preceding school year
- Supplies and materials
- Expenses associated with home visits and parent education activities

- The cost of any preschool program contracted services
- Services provided to preschool children enrolled in special education or their families
- Associated professional development activities
- A reasonable allocation of district overhead costs

Allowable Uses of IDEA and ECEA Funds for Preschoolers

Amounts provided to an LEA under Part B of the IDEA, including Section 619, must be used only to pay the excess costs of providing special education and related services to children with disabilities (34 CFR §300.202(a)(2)). IDEA funds must be used to supplement state funds (PPR and ECEA), local and other federal funds and not to supplant those funds (34 CFR §300.202(a)(3)). Excess costs are those costs that are in excess of the average annual per student expenditure in an LEA during the preceding school year (34 CFR §300.16).

Additionally, under the requirements of Section 22-20-104(4), C.R.S., an SAU shall use its state ECEA funds only on special education services and programs as outlined in Section 2.44 of the ECEA rules (ECEA Rule 7.03(2)).

Allowable uses of IDEA and ECEA Funds for preschool students include:

- CDE licensed personnel who deliver specialized instruction (Early Childhood Special Educators or Speech Language Pathologist) and related service providers
- Supplies, materials and equipment used for individual students' special education programs and services
- Purchased service contracts for personal services
- Tuition to other administrative units and approved tuition rates to approved facility schools for special education
- Staff travel related to special education
- Professional development for special education staff, or all staff, if the content of the professional development is specific to services for children with disabilities
- Other purchased services related to special education
- Dues, fees and other expenditures specific to the special education program
- Parent counseling and training, as defined by the IDEA and its implementing regulations

Contractual Education Students

Contractual education students are preschool students for whom a district is paying tuition to a third party entity to educate one of its students. Tuition here is defined as money paid to cover basic education costs. Anytime a district is incurring the cost to provide basic education for one of its students at a non-district location, the district is entitled to submit the student for funding in its Student October count. In such cases, the district will be responsible for ensuring that it has all necessary documentation from the educational provider to support the student's funding level. Examples of educational providers include, but are not limited to: another Colorado public school district, a BOCES, a state or private facility, etc.

In the event a district is providing the educational services for an out-of-district student and is also receiving tuition (whether paid by the district of residence, student's parent/guardian, or other entity), the district may include the student in its Student October Count, however the district must not submit the student for funding.

A district must be incurring the cost (e.g., paying tuition) to educate a student in order to include the student in their funded count as evidenced in their Student October Count Snapshot data submission.

Examples of preschool students receiving education services from a third party may be:

- CPP students placed in a community based child care program;
- Preschoolers on an IEP and receiving special education and related services from a BOCES;

- Preschoolers on an IEP placed in a community based child care program for their regular education and receiving special education and related services from a BOCES; and
- Preschoolers enrolled in Head Start programs.

Districts and AUs that contract with a third party entity to provide educational services for its preschool students with disabilities are encouraged to ensure that their contracts appropriately cover the costs of services and may be set based on tuition charged to other families or market rate costs. The parties subject to a third party agreement must have:

- A contract between the district and the other entity, which is reviewed at least annually, and revised as needed
- Evidence of tuition payment verification from district to the other entity

Braiding Funds

When braiding funding sources, a school district is able to include the percentages of students funded for each program in the classrooms as a basis for allocation of expenses to each funding source. For CPP purposes, this percentage may be calculated based on the children included in the Student October Count.

Please note that districts are expected to use the PSPED PPR to financially support basic services for students with disabilities to be served in blended preschool classrooms. It is not appropriate to use CPP funding to support preschool students with disabilities. Rather, other state and federal revenue sources should be utilized to provide general and special education and related services for preschoolers on IEPs.

Funding streams should never be used to supplant each other. In other words, if a child attends a half-day of preschool funded by CPP, then families should never be charged tuition for that same period of time. Rather, funds from appropriate funding streams should be braided together and clearly separated out into percentages based on student population.

Students Enrolled in CPP who also Receive Services on an IEP

Preschool students eligible for funding under both an IEP and CPP must be at least three years old as of October 1st. A preschool student on an IEP is eligible for full-time funding if the student is:

- Placed on an IEP on or before the pupil enrollment count date that allows for at least 90 hours of teacher-pupil instruction and contact time in the semester of the pupil enrollment count date AND
- Eligible for a CPP slot that provides at least an additional 90 hours of teacher-pupil instruction and contact time in the semester of the pupil enrollment count date (for a total of 180 hours)

Students Enrolled in CPP or ECARE

CPP and ECARE are state-funded early childhood education programs administered by the Colorado Department of Education. Children are determined eligible based on certain risk factors present in their lives. These risk factors are associated with later challenges in school. CPP provides funding to establish high quality early childhood education programs that primarily serve children eligible to enroll in kindergarten in the following year. Some programs may also choose to serve younger, more impacted children who are three- or four- years old and two years away from kindergarten.

In 2013 and 2014, the General Assembly expanded CPP through the ECARE program which provided more flexible funding to offer half- or full-day preschool or full-day kindergarten for an additional 8,200 young children. ECARE slots may be used to increase half-day preschool slots or to provide full-day opportunities for qualified preschool and kindergarten children. The following guidance covers allowable expenses for CPP, the Chart of Accounts process, braiding funds in a classroom funded with CPP, compensation to community partners, and audit information.

Allowable Expenses for CPP and ECARE Enrolled Students

According to state statute (section 22-28-108 (5.5) C.R.S.), funding provided to school districts for CPP shall only be used to meet the costs of providing preschool services directly to children enrolled in each school district's program, and for ECARE, which is part of CPP. Allowable expenses (through CPP allocation source 58XX) for a program include:

- Teacher and paraprofessional salaries and benefits to administer the preschool program
- Supplies and materials for preschool
- Expenses associated with home visits and parent education activities
- The entire cost of any preschool program contracted services
- Services provided by a district to children enrolled in CPP or their families
- Associated professional development activities
- Costs that a district would not otherwise have incurred but for the services provided in conjunction with the preschool program
- A reasonable allocation of district overhead costs, which may not exceed five percent (5%) of the total CPP funding provided to the district.

In determining overhead costs, districts may use their restricted indirect cost rate as a proxy as long as it does not exceed 5%. Any overhead costs, OBJ code 0868, claimed by a district that exceed CDE's calculation of restricted indirect cost rates for local education agencies (LEAs) must be verifiable.

According to state statute, (section 22-28-108 5.5 C.R.S.), expenditures of CPP funds shall only include costs that a district would not otherwise have incurred but for the services provided in conjunction with the preschool program. Districts must be able to document that CPP expenditures are a direct cost of the Colorado Preschool Program. For instance, if transportation expenses are paid for with CPP funds, districts must be able to document that bus routes were added or extended to serve CPP children.

Any ECARE kindergarten spending should adhere to the school district's ECARE application plan, as approved by the Department. The expenses should align to either those listed as allowable for preschool or what is specified in the plan. In grant code 3141, this spending should be identified as program code 0010 for kindergarten versus program code 0040 normally used in preschool.

Chart of Accounts as Related to CPP and ECARE

As mentioned earlier there are specific funds, source codes, and program and grant codes outlined in CDE's Chart of Accounts.

I. Funds

Fund 19 is the optional, but recommended, Colorado Preschool Program (CPP) Sub-Fund of the General Fund. When used, this fund allows a district to separate the CPP accounting, and maintain a self-balancing set of records specific to the CPP requirements for allocations. It is used to account for the purposes and limitations specified by Section 22-28-108 (5.5) C.R.S. Unlike other funding streams, funds from CPP are for direct preschool use only, and Fund 19 is the identified sub-fund to use. The grant code of 3141 is an alternative way to identify CPP funds. Any moneys remaining in the district's preschool program budget at the end of any budget year shall remain in the program budget for use in the preschool program in subsequent budget years (called carry forward or carry over funds) (C.R.S. 22-28-108 (5.5)).

Districts are not required to maintain the CPP sub-fund (Fund 19 in the Chart of Accounts) for spending and tracking requirements, but this is highly recommended as a way to create clear accounting records for these dollars. The allocation and expenditures may be tracked within the general fund, using grant

code 3141. If the district uses fund 19 for more than the preschool program, activity for the preschool program must be isolated using grant code 3141. For example, a school district can put preschool tuition into Fund 19, but if they do that, then they need to code all allowable CPP expenditures into the 3141 grant code (within fund 19). It would be more appropriate, however, to apply preschool tuition dollars to Fund 10.

Any other moneys of the district that may be used to pay the costs of providing preschool services directly to children enrolled in the district's preschool program pursuant to article 28 of this title may be deposited in the preschool program fund of the district. Expenditures from the fund shall only be made to pay the costs of providing preschool services directly to children enrolled in the district's preschool program (and ECARE) pursuant to article 28 of this title. Such costs shall include teacher and paraprofessional salaries and benefits, supplies and materials, home visits, the entire cost of any preschool program contracted services, services provided by a district to children enrolled in CPP or their families, any associated professional development activities, costs that a district would not otherwise have incurred but for the services provided as overhead that are subject to the five percent limit.

CPP allocations may be made to fund 11 for charter schools. The charter schools must use the appropriate grant code of 3141 (CPP preschool) for all accounts related to CPP. If any of the allocation remains unused at the end of the fiscal year, a "reservation of fund balance" (balance sheet code 6724) must be identified.

The majority of CPP funds are expected to be expended each year to provide a high-quality early childhood program. If all of the money provided for CPP is not expended by the end of the school year, districts must carry over any remaining moneys to the next fiscal year. Account 6724 has been established in the Chart of Accounts to identify Colorado Preschool Program Reserve funds. CDE recommends that districts carrying over more than 15% of the CPP funds provide a detailed plan for spend-down. In addition, districts with large carry over balances may score lower on competitive applications for additional slots during an expansion of CPP.

II. Source Codes (Revenue)

The source dimension is used to describe the funding origin (source) and type of revenue. The first digit of the source code identifies the major source of revenue as local, intermediate, state, federal, or other.

Source code 5800 should be used to record the district's CPP allocation. To record the debit side of an allocation, the last two digits of the source code must be used to identify the fund number of the destination fund: fund 19 for District CPP and Fund 11 for Charter School CPP. Example: an allocation from the General Fund (Fund 10) to the District CPP Fund 19 is coded 5819 and to the Charter School CPP fund 11 is coded 5811. The corresponding source code in the CPP Fund 19 or Fund 11 is 5810. Additional funds transferred to fund 19 should be coded using the 5200 transfer coding structure.

III. Programs

A program is a plan of activities and procedures designed to accomplish a predetermined objective or set of objectives. The program dimension provides the school district a framework to classify expenditures to determine total costs of attaining such predetermined objectives. The program dimension allows a school district to charge costs, instructional and support, directly to the benefiting program. There is one program that may be used by districts to track general funds flowing to preschool programs.

General Preschool Education (Code 0040) is for planned learning activities and experiences that are provided for preschool students. Typically, these instructional costs help preschool students develop skills for later success in kindergarten. Child care costs from separate programs within the school or district should NOT be charged here; rather, child care costs should be coded to support program 3200 or 3300 series.

Compensating Community Partners serving CPP and/or ECARE Students

It is the intent of the Colorado General Assembly and the Colorado State Board of Education to allocate CPP and ECARE funding to those districts that demonstrate collaboration within the community in order to assure effective use of the resources in the program (C.R.S. 22-28-109 (1)). In fact, community partnerships are a cornerstone of CPP with approximately twenty percent of the children funded through CPP receiving services in community partner sites.

There is significant value in using existing high quality Head Start and community early care and education programs, where available, when deciding where to serve eligible children. It is clear in CPP legislation that District Advisory Council decisions to contract with community partners are to be made based on the program's ability to provide high quality services (C.R.S. 22-28-109 (2)). Providers must be committed to using the Colorado Quality Standards for Early Care and Education as a program guide for ongoing quality improvement.

Districts may provide program services in three ways:

1. The district may provide all services in school district operated preschools (e.g., existing elementary schools). Special education, CPP, Title I funds, private tuition, etc., can be braided to operate these schools.
2. The district may contract out its entire program to community providers (e.g., Head Start or private child care facilities) with proper support and monitoring, including financial oversight.
3. The district may use a combination of district and community providers.

Each district that contracts with community providers for program services is responsible for negotiating the rates that it will pay to the providers and ensuring that money provided for the Colorado Preschool Program is used for services for children eligible for CPP. The majority of per pupil funds for the number of children to be served by the partner site should be paid to the provider to cover the cost of providing a high quality program as defined by CPP and the Quality Standards. Children served in community sites under contracts with the district are considered students of the school district and should have access to additional services any other student could access.

The school district may provide additional services for its community partners. In addition to the contracted rate paid to providers for day-to-day programming, many districts also provide funding to providers for the following direct program services:

- Child developmental screenings
- Home learning materials for families
- Professional development opportunities (including conference registrations and in-service training)
- Family support services, including parent liaison positions, home visit costs, and service coordination for children and families
- Monthly newsletter to families to extend learning activities and parenting ideas into the home
- Classroom equipment and materials

Thus the amount per child paid to a community provider may be less than 95% of the school district's PPR due to the district's actual costs of maintaining a high quality early childhood program. Contracts developed between a district and community providers are expected to consider all pertinent district, program, and community

partner costs. Since the main purpose of the CPP is to directly serve children in a high quality program, CDE suggests that the funds passed through to the community site generally be set no lower than 85%, with the understanding that any amount retained by the district over the allowable 5% overhead be spent on allowable CPP services.

Frequently Asked Preschool Finance Questions

Following are questions frequently asked by school districts regarding access to state funds for preschool students:

1. **We have preschool children funded from a variety of sources (e.g., Colorado Preschool Program, Preschool Special Education, tuition and Title I) in our preschool classroom. How can we equitably calculate program costs to each funding source?**
 Most school districts in the state braid funding sources in the delivery of early childhood services. A school district can use the percentage of students eligible for and funded by each program, as a basis for allocation of instructional expenses to each funding source. For CPP purposes, this percentage can be calculated based on the children included in the Student October Count. Administrators are cautioned that some funding sources like Title I and special education may have additional requirements for determining allocated costs. For example, using the proportionate amount to charge out general program costs to the PPR for preschool students with disabilities would be appropriate. However, ECEA and IDEA expenditures must be specific to the special education program needs of the preschooler with a disability.
2. **Can expenditures for the Colorado Preschool Program be calculated based on the percentage of children receiving CPP funding enrolled in the total district preschool program rather than each individual classroom?**
 Yes, because expenses can vary from classroom to classroom based on a teacher's placement on the salary scale, it is reasonable for a district to calculate CPP expenses based on a percentage of total preschool instructional expense rather than breaking those expenses down by individual classroom. This is not necessarily the case for other funding sources.
3. **Can CPP funding be used to support the participation of non-CPP eligible children?**
 CPP funding should be used to pay the school district's costs of providing high quality preschool to eligible children. Children under the age of six without an IEP are not entitled to publicly funded education and as a result, school districts can charge tuition for those children who are not supported by CPP, early childhood special education through the School Finance Formula, or other funding sources (section 22-33-103 C.R.S.).
4. **Can CPP funds be used to replace monies provided from Head Start or other funding sources?**
 No, it is the responsibility of the local board of education to ensure that monies provided by CPP are in support of additional services provided by a Head Start agency or other program. CPP funds cannot supplant moneys available to fund other services (section 22-28-109 (2) C.R.S.). For example, in order for CPP funds to be used in conjunction with Head Start moneys, the CPP funds would pay for services above and beyond what the Head Start program already provides.
5. **What is considered the base amount to educate a preschool child that determines how much the general fund should contribute for a child receiving no other funding streams?**

This is determined by considering all of the factors going into a child's preschool education, such as salaries, building costs, supplies, etc. This should be how amounts for tuition are set. Everything over the base amount needs to be specifically identified and tracked through the chart of accounts.

Optional Allocation Methodologies for State and Local Funds

1. **Primary Use.** If the expenditures exist because of CPP, allocate the majority of costs to CPP. In this instance, also code tuition revenues in a method to capture funds available to pay for the preschool program. If the tuition paid students dominate a particular classroom such that it is reasonable to assume the class is extra to the CPP classroom, allocate the majority of costs to the general fund.
2. **Proportional.** Allocate all expenditures based on the pupil types attending preschool. A percent to CPP (3141), a percent to ECEA (3131), and a percent to the general fund for tuition/free (non-state funded) pupils.
3. **Other.** Any other reasonable allocation methodology that may combine the examples above are allowable.

Statutory References

Colorado Preschool Program Act, C.R.S. 22-28-101 et seq.

Amended Rules for the Administration of the Colorado Preschool Program Act, 1 CCR 301-32

Exceptional Children's Educational Act, C.R.S. 22-20-101

Rules for the Administration of the Exceptional Children's Educational Act, 1 CCR 301-8

Individuals with Disabilities Education Act, Public Law 108 - 446

Individuals with Disabilities Education Act Rules and Regulations, 34 CFR Part 300

Public School Finance Act of 1994, C.R.S. 22-54-101 et seq.

Rules for the Administration of the Public School Finance Act of 1994, 1 CCR 301-39

School District Budget Law, C.R.S. 22-44-101 et seq.

Financial Policies and Procedures Act, C.R.S. 22-44-201 et seq.

Accounting and Reporting, C.R.S. 22-45-101 et seq.

C.R.S. § 22-54-120 grants the state board authority to "make reasonable rules and regulations necessary for the administration and enforcement" of the Public School Finance Act of 1994. The Rules for the Administration of the Public School Finance Act of 1994 are published in 1 CCR 301-39.

Where can I learn more?

- Early Childhood Education Funding in Colorado is a document that describes early childhood funding from various sources and the differences between the funding sources:
<http://www.cde.state.co.us/cpp/cppbudgetandschoolfinance>

Who to Contact with Additional Questions

- Preschool Director, Heidi McCaslin at 303-866-6720 or McCaslin_H@cde.state.co.us
- School Finance, Aaron Oberg at 303-866-6654 or Oberg_A@cde.state.co.us
- IDEA and ECEA funding, Vicki Graham at 303.866.6442 or Graham_V@cde.state.co.us