

## **FREQUENTLY ASKED FINANCE QUESTIONS**

### **Statewide Voluntary Preschool Program**

#### **INTENT OF LEGISLATION (HF 877)**

What is the intent of the SWVPP law and can funds be used for children also enrolled in other programs?

- See the Implementation FAQ on the DE's Statewide Voluntary Preschool Program website.

#### **RECEIPT OF FUNDS**

Who is the recipient of funding through the SWVPP?

- The funding is awarded to public school districts only. Funds are provided to school districts but they may contract with nonpublic preschools or child care centers with preschool classrooms to coordinate community partnerships. All district and partnering preschool programs must comply with the requirements of IAC 281 chapter 16.

What if the community partner has funds that are not expended?

- If a community partner does not expend the full amount allocated or does not expend the funds for the appropriate purposes, the remaining unexpended funds for a given fiscal year must be returned to the district annually at the close of the given fiscal year.

If the community partner returns funds to the district, how may the district use the returned funds?

- The SWVPP funds refunded to the district from the community partner remain categorical to the preschool program and may only be used for the purposes stipulated in Iowa Administrative Code 281-98.

#### **FUNDING SOURCES**

Can preschoolers served by different funding sources attend the same SWVPP classroom?

- Yes. A district is encouraged to include Early Childhood Special Education, Head Start, Early Childhood Iowa (ECI), Shared Visions and Title I funded preschool programs as long as there is no supplanting of funds or duplicate charges to funding. The restriction on duplicate charging means that the same service to a child cannot be charged to more than one funding source. The restriction on supplanting means that categorical funding cannot be used to provide services required by federal or state law to another source, and that general purpose resources cannot be diverted for other purposes because of the availability of categorical funding.

May districts use other state or federal funds (ECI, Head Start, Shared Visions, Title I, etc.) and the SWVPP for the same child during the same time period?

- No. Other state or federal funds may not be used to pay for the same 10 hours of preschool instruction funded through the SWVPP. These funds may be used to extend the preschool day if permitted by the legislation enacting the state or federal funds; however, a child may not be supported by two funding sources during the same portion of the day.

May the district seek other sources of public or private funding to support a SWVPP, such as low income funding or church scholarships?

- Yes. The collaborative conversations and meetings the school district would conduct with stakeholders would include developing a plan to support implementation and use of various needed funds to support the program. The district may not supplant existing funding.

## **ADMINISTRATIVE COSTS**

What is the administrative cost percentage?

- The district is allowed to capture 5% of all funding generated (include funding generated by students attending community partner programs) for administrative costs. The community partner is allowed to capture 10% of the 95% generated per student participating in the community partner setting for administrative costs. The district must document actual administrative costs and community partner must document actual administrative and operational costs equal to this set aside.

Are administrative and/or operational costs direct program expenditure?

- These costs are not permitted as a direct instructional cost. However, as indicated in, above the Iowa Legislature did create permission for community partners to use 10% off the top of regular program costs for expenditures related to administration and operations of the preschool program. In the Uniform Financial Accounting Manual, administrative expenditures are functions 2300-2599. Operational expenditures are functions 2600-2699.

What are administrative costs allowed to cover?

- The following section provides examples of what is permissible for community partners to include as administrative or operational costs. Activities concerned with keeping the physical plant open, comfortable, and safe for use and with keeping the grounds, buildings, and equipment in effective working condition would be permissive operations costs. These operating costs include the activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools. Activities concerned with keeping the physical plant clean and ready for daily use are permissive. These include operating lighting and heating, ventilating, and air conditioning (HVAC) systems and doing maintenance or preventative maintenance on those systems. If the facility is used for multiple purposes, the costs permitted as operations costs from SWVPP funding would be limited to the space and time used for SWVPP. Also included in

operation costs is the cost of a rental lease for non-district owned buildings (Used with all programs 100–900). Other permissible administrative costs include the costs of non-instructional technology, and school level program administration and clerical support provided directly to the SWVPP.

## TRANSPORTATION

Can the LEA use statewide preschool funds for transportation expenditures for children?

- No. Transportation for any students at the LEA is a general fund expenditure and cannot be cost accounted to any categorical fund. The community partner may do this, but only out of SWVPP administrative funds. SWVPP students may ride with other children to activities associated with the preschool program, such as transportation to or from a childcare center before or after the SWVPP program or on field trips associated with the SWVPP program. If the community partner is providing transportation or is contracting to have transportation provided, the community partner may use SWVPP administrative funds for the portion of the cost directly related to the SWVPP enrolled students.

## REGISTRATION FEE

Can the LEA (including community partners) charge an enrollment/registration fee?

- No. The Iowa law for the SWVPP does not reference or define the term “registration fee.” Charging supplemental fees that apply directly to the SWVPP enrolled students are local decisions. Districts may charge a fee similar to the fees charged for K-12 students, excluding tuition fees, if the fee is authorized by Iowa Code and directly applies to items actually used by the SWVPP students which were not required for the instructional program. **Most, if not all, of the fees allowed by Code would not be appropriate for preschool age children.**

Fee waivers, full and partial, are governed by 281--Iowa Administrative Code 18. A full waiver of all fees shall be granted if the student or the student’s family meets the financial eligibility criteria for free meals, for the Family Investment Program (FIP), for transportation assistance open enrollment, or if the student is in foster care. A partial waiver is appropriate if the student or student’s family meets the financial eligibility criteria for reduced-price meals, and is based on “a sliding scale related to an ability to pay.” One simple way to justify the amount of a partial waiver is to make sure that it corresponds to the percentage of the reduced-price meal compared to the full-price meal. Finally, each school district has discretion to grant a temporary waiver of one or more fees in the event of a temporary financial difficulty in the student’s immediate family. This temporary waiver may be granted at any time during a school year; the maximum length of a temporary waiver shall be one year.

## **TUITION**

Can the LEA charge tuition?

- Districts participating in the SWVPP may not charge tuition for eligible 4-year-old children in the SWVPP. Districts must charge a fee for childcare if extending the day by providing childcare services to wrap around the SWVPP program. In these cases, reasonable childcare fees may be charged to cover only the remaining portion of the day and allowable supplemental costs (snacks, etc.) which are not a part of the SWVPP program. The district may not use other public funds in lieu of charging the actual cost of the childcare services. However, the district should use any excess funds it has in the SWVPP for expanding the instructional hours of the SWVPP program or to serve additional eligible children..

If a district has space in its SWVPP session for some 3-year-old-students, it cannot use SWVPP funds to support their tuition. Can a district charge tuition fees for 3-year-olds when space is available? Does the tuition fee waiver that applies for eligible K-12 students apply here? What if the 3-year-old preschool student is a foster child?

- The preschool for any 3-year-old student that does not have an instructional IEP is an enterprise operation. Enterprise operations are self-supported by fees from users. SWVPP revenues cannot be used to support the enterprise operation. The waiver for foster care only means that foster care students are automatically eligible for a waiver when a waiver of fees is required for a program funded with state aid and property tax. In this case, there is no other funding source for a voluntary enterprise program so the fee cannot be waived.

If a district has a SWVPP program that offers more than 10 hours of instruction, can the district charge a reasonable tuition fee for the additional hours of instruction beyond the 10 minimum hours per week?

- No. The SWVPP program is free for eligible 4-year-old student, enrollment is voluntary and the local district determines the number of hours per week the SWVPP is offered. The district cannot use any other district funds for the SWVPP.

## **PARTNERS**

Are there examples of 28E agreements with a partner that could be shared?

- The Department does not collect copies of 28E agreements. Agreements are locally developed. Consult the school district's attorney for further guidance on the development of a local 28E agreement.

If a SWVPP community partner uses district facilities, can the preschool funds provided to the community partner be used by the community partner to pay the district rent for the use of the district facilities?

- No. If the community partner is part of the SWVPP this would be supplanting. These are district funds and the district in essence would be paying itself.

## **ANNUAL CALCULATIONS**

What is the per student amount that the Department will be retaining this year?

- See the School Business Alert on the Department's website each July for the information related to the ensuing year.

What is the formula for how preschool state aid is calculated?

- The formula for calculation of state aid is:  $0.5 \times \text{certified enrollment count of SWVPP students} \times \text{the state cost per pupil}$ . The state cost per pupil for FY16 is \$6,446. This amount changes based on the supplemental state aid percentage for the given fiscal year.

## **IMPROVEMENTS**

A preschool wants to update an existing playground by constructing a pathway for tricycles. Is this an allowable expenditure from SWVPP funding?

- No. It is a capital expenditure because the concrete would be installed (fixed) in the ground. This expenditure would not be an allowable costs from SWVPP for either a public or a community partner.

Can SWVPP funds be used to build a fence?

- Yes. Fencing is required by program standards and would be an operations cost for the community partner location. The school district does not have operations from its 5% for administrative costs and would pay for fencing from PPEL or SAVE as appropriate.

Can you claim paint for walls (we painted our room) and addition of bookshelves?

- No. Those items would be supplanting. Those are costs borne by the general fund typically, so using instructional program funds for those expenses would not be allowable. The 5% administrative funds may be used for this purpose.

May SWVPP funds be used to remodel a local facility?

- No. Funds shall not be used for the costs of constructing or remodeling a facility in connection with the preschool program.

## **GROWING**

If a district's SWVPP session(s) is/are at max capacity (i.e., 20 students in a session) and that district has a few extra 4-year-old students, can the district include those students in its established 3-year-old room?

- Yes. The district would report the 4-year-olds during certified enrollment in October and receive .5 funding for each 4-year-old in the next fiscal year. The district would not count and would not receive .5 funding for children who are 3 years old. The mixed age room would need to operate under one of the acceptable program standards (IQPPS, HSPPS, or NAEYC) and meet all SWVPP assurances.

If a district enrolls 20 students within a session but only has funding for 9 students, and the session is 12 hours weekly, what guidance is there for the district or what would be some funding options for how to handle this scenario and how to grow the program to serve more students?

- The district would use carry-forward money or excess current funding to grow the program and to pay for additional hours beyond the minimum required. If the district has carryforward or excess current funding so it can serve all 20 students in the SWVPP, it will count all students served in the October count, which generates 9 more 0.5 FTEs the next year than it did in the current year. Other options to expand funding available to offer the SWVPP would include seeking other grants that are available for this purpose, soliciting donations, or fundraising. Using other district funds is not an option.

## **OTHER FEES**

Based on the Allowable Fees chart what fees specific to preschool are allowable? Can the school charge preschool parents for other items/services?

- A transportation fee is permitted by Code for students not entitled to free transportation. If school meals are provided under the reimbursable food service program, a fee for school meals is permitted. If the SWVPP uses textbooks, a fee may be charged to parents, but this does not apply to books in the classroom or in a library that are not given to individual students. Very few items that meet the existing definition of a textbook would be used in a SWVPP classroom. In addition, a school supplies fee (at cost) may be charged to parents if those supplies are not necessary for or part of the instructional program. Most school supplies in a SWVPP would be a part of the teacher-lead instruction and in that case could not be charged to parents.

## **OTHER USES OF FUNDING**

What should the district's focus be when allocating funds for the SWVPP?

- The focus should be on supporting the implementation of the SWVPP: Allocating funds to ensure that districts meet the assurances and program requirements, such as an appropriately licensed teacher, staff to child ratio, and meeting program standards to increase access and opportunity for four-year-olds to attend quality preschool programs. Children who attend high-

quality preschool programs demonstrate increased student achievement. Funds allocated to support the implementation of quality preschool programs are intended to address the purpose of the legislation.

May a district use SWVPP funds to pay for a paraeducator to get a paraeducator certificate or a CDA?

- No. The Iowa law for SWVPP does not indicate this is an allowable expenditure, so the cost of getting the certification isn't permitted as a professional development expenditure from SWVPP funds.

We would like to use statewide funding to train our preschool teachers and to provide materials for them to supplement their current curriculum and program. May we use SWVPP funds to provide this professional development and materials for teachers?

- Yes, funds may be used to provide training and materials to SWVPP teachers but if community partners are going to participate in this professional development, an agreement between the district and the community partner would be needed and payment may be made by the community partner from its SWVPP funding. SWVPP funding could not be used for professional development of teachers who are not providing SWVPP instruction to eligible 4-year-olds.

Teachers are requesting additional materials to support the curriculum. May the district use carryover funds to purchase these materials?

- Yes, if these materials support instruction and enhance the curriculum of the SWVPP this would be an appropriate use of instructional funds.

Can we use the administrative funds to support a portion of salaries for early childhood family support program staff members, as they work with the families in our SWVPP classrooms? They provide social work services, as well as educational parent support to SWVPP families.

- The portion of the cost of the staff members that are providing this service that represents the portion of that staff members' total time providing all services may be allocated to the SWVPP account as long as these are functions under 2100 to 2199 in UFA and are not community service functions, and the time charged to SWVPP is used exclusively to work with SWVPP families.

May a district or community partner use the SWVPP program funds for other purposes within the school/center?

- No, other than the percentage of funds which may be used for administrative costs by districts (or for administrative and operation costs by community partner partners), the funds are considered categorical and must be used for preschool instructional program expenditures only.

May I use SWVPP funds to pay for snacks or meals?

- Use of SWVPP funds to pay for snacks is not allowed. Under Dillon's rule, a Code reference would need to indicate snacks are permissive and current law does not allow this. If the district was not participating in the SWVPP but providing any other program, it would be providing snacks, which means this would be supplanting in the case of SWVPP.

## **ENROLLMENT**

Can a student enroll in the SWVPP in two districts? If a student attends two SWVPP sessions, each in different districts (one resident and one non-resident), who receives the SWVPP funding?

- No, a student may not enroll in the instructional program of more than one school district. Only the district in which the student attends first during the day/week may count the student as a SWVPP student to receive funding. A second district or its community partner could allow the student to attend its preschool program the same as it allows other students not eligible for SWVPP, but SWVPP funding could not be used for this student.

A district borders another state and preschool students are attending the preschool program who are resident of the other state. How does this work for funding?

- Students from out of state cannot be supported with SWVPP funds. Those students by law must pay tuition. Only a four-year-old child who is a resident of Iowa may be counted for SWVPP funding. In addition, the out-of-state student cannot take a space in the Iowa program if there are eligible 4-year-old Iowa students for that available space in the SWVPP.

Is there a process for districts use when kindergarten age eligible students are attending preschool? Must all of the eligible 4-year-olds be enrolled before 5-year-olds can attend?

- The purpose of the law is to serve 4-year-olds (four years of age on or before September 15). It is permissible to serve children younger and older if there is space available but not at the exclusion of an eligible 4-year-old. The district should consider the possibility of students with IEP's who could move into the district or be identified as eligible for special education preschool services throughout the school year to ensure space will be available for these students. Children younger and older than 4 years of age cannot be counted for SWVPP funding purposes and must be charged tuition if not served pursuant to an instructional IEP.