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ABSTRACT

Developed by the Nebraska Department of Education, this guide provides information for designing the Early Childhood Combination Program, a program that allows school districts to combine programs and use multiple sources of funding. The guide covers the following areas: (1) planning; (2) program design; (3) certification of staff; (4) participants in the program; (5) allowable costs and sources of funding; (6) procedures; (7) the due date for application; and (8) additional resources. Appendixes include sample proposal forms and guidelines for support of salaries and related costs under programs of the United States Department of Education for entities governed by the Office of Management and Budget (OMB) Circular A-87. (MM)

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Early Childhood

Combination Program

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Administrative Guidelines

Nebraska Department of Education
301 Centennial Mall South
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October, 1992

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Early Childhood Combination Programs

Recognizing the need for appropriate early childhood educational opportunities, the Nebraska Department of Education has developed the **Early Childhood Combination Program**. This program allows school districts, through collaborative efforts, to combine programs and use multiple sources of funding. These can include:

- ESEA, Chapter 1*
- Individuals with Disabilities Education Act (Special Education)
- Head Start
- District funded programs for select groups of children
- Other state, federal or local sources including parent pay
- Even Start Programs, where feasible

While there are no new funds for this program, it provides school districts the option to use existing funds in a new way. Certain costs can be shared on a prorated basis among the programs. To accommodate and include the requirements of each of the programs involved, the following guidance provides the information and a process for developing an **Early Childhood Combination Program**.

(*If a school district elects to provide early childhood programs to all or some of its students as part of the district's regular educational program, Chapter 1 funds can be used only to supplement the district's program. See page 6.)

Planning

An **Early Childhood Combination Program** must be planned and implemented as a collaborative effort. The initial step is to form a team of appropriate members representing the programs involved and the school district. A team may include: administrators, early childhood specialists, Chapter 1 staff, Special Education staff, Head Start directors, other program directors, classroom teachers, counselors, parents, and other appropriate persons. The responsibilities of this team will include identifying community and student needs, designing a program, and providing on-going monitoring and evaluation of the program. A person must be designated as a contact for the team. School districts are encouraged to use existing Preschool Advisory Councils as required by P.L. 99-457, if possible.

Program Design

Overview

The **Early Childhood Combination Program** must be designed:

- a) to meet the needs of prekindergarten children including those determined to be educationally disadvantaged,
- b) with overall program outcomes that do not distinguish between prekindergarten children with disabilities and those without disabilities,
- c) with sufficient size, scope and quality to give reasonable promise of substantial progress toward meeting the developmental/educational needs of the children being served, and
- d) to identify and serve children in accordance with the requirements of Chapter 1, NDE's Rule 51 (Special Education), Head Start, and any other federal or state funding sources involved.

Under the framework of High Performance Learning - A Model for Redesigning Education in Nebraska and incorporating the goals of the Nebraska Department of Education, prekindergarten programs should provide quality learning, accountability and equity in opportunity and access for all participants through whole child, family-centered approaches to early childhood care/education.

Program Objectives

The planning team should define, as they set the program objectives, an appropriate philosophy for working with children of prekindergarten age. The program objectives should address meeting the individual needs of the children, the involvement of parents, and the unique needs of the community and school.

Location of Program

Special consideration should be given to the location of an **Early Childhood Combination Program**. These considerations should include accessibility to students and parents, the proximity to other services, and availability of appropriate space. It does not need to be located within the public school building although it can be. Note: If located within a public school building (such as a classroom), Chapter 1 cannot share in the facility costs. See Facility

Expenses on Page 10 for further information.

In the Chapter 1 program, a school district must identify eligible school attendance areas according to Section 200.30 of the Chapter 1 regulations. For Chapter 1 services below school age, a school district has an option to designate the entire district as a prekindergarten attendance area. This allows Chapter 1 prekindergarten services to be provided at any site in the district as well as allowing eligible children from throughout the district to participate. Alternatively, the school district could designate all currently served Chapter 1 elementary attendance areas as a single preschool area. This could insure that, upon entering elementary school, Chapter 1 services would be available to children who need them.

Organization

The program objectives should be reflected in the planning of staffing needs, student populations and schedules of the program. Since parent involvement and training is essential to the programs involved, staff time should be allotted for such things as home visits, training sessions for parents, and parent participation in the program. Parent involvement activities and training should be coordinated with these efforts in other programs such as regular Chapter 1, Adult Education Act (formerly Adult Basic Education Act), and other opportunities within the district and community. Head Start programs may elect to provide additional services to their parents.

There are no requirements concerning the amount or length of services. Programs must be of sufficient length to meet the needs of the children. School districts are encouraged to design programs that do not fragment a child's program or day. Full day programs are an acceptable option.

Related Services for Children with Disabilities

All Special Education services, as defined in the Individual Education Programs (IEP), must be funded with Special Education dollars that are not included in the determination of pro-rated or shared costs. Special Education services must be provided in a manner that does not diminish the services being provided to the group as a whole.

Related Services for Head Start

There are four major components of Head Start programs. These are education, health, parent involvement, and social services. Where appropriate, the **Early Childhood Combination Program** can integrate the education and parent involvement components. Health and social services components of Head Start are not included in the determination of the pro-rated or shared costs. (See matrix of Allowable Costs/Sources of Funding on page 12.)

Transition to Kindergarten

Depending on the age of the children participating in the **Early Childhood Combination Program**, the planning team should develop procedures and a process for assisting children and their parents for the transition to Kindergarten. This shall involve more than assurances that records and information will be transferred.

Coordination with other Services

The program should, whenever and wherever possible, coordinate and work with other services and agencies that are involved with the children and their parents. These will include shelters for homeless or families with problems, social service agencies, community groups and any other appropriate sources of assistance for families.

Staff Development

Allowable shared inservice costs are activities designed to contribute to the professional growth and competence of staff and their parents through workshops, demonstrations, and school visits. Tuition and expenses of attending college classes are not an allowable shared cost for this program since it is not an allowable cost for all programs involved.

Desired Outcomes and Evaluation

Chapter 1 requires an annual evaluation of program effectiveness based on student progress toward meeting established desired outcomes. Progress of children can be measured over a period of time and must reflect progress made toward the program outcomes. The program improvement component of Chapter 1 regulations does apply to this program.

Certification of Staff

The **Early Childhood Combination Program** has been designated as an Innovative Educational Project for Special Education [92 NAC 51.004.13]. As such, school districts can receive a waiver from the special education endorsement requirements for the classroom teacher. *The classroom teacher must have an early childhood endorsement. Any additional required Special Education services must be provided by appropriately endorsed specialists.*

Participants in the Program

With multiple sources of funding possible within this program, eligibility for participation is determined by the requirements of each funding source.

Chapter 1

This program does not have predefined age limits for participants, but children must be able to benefit from an organized program of instruction. The program can be designed to meet the needs of the participants. However, Chapter 1's requirements do not allow projects within a district to skip grades or age levels of children determined to have the greatest need for special assistance. The Chapter 1 services provided must reflect and be supported by the needs assessment data.

Children are eligible for Chapter 1 services if "their educational attainment is below the level that is appropriate for children of their age". Educational attainment is not defined in terms of specific subjects. Therefore, the educational area can be language development, cognitive, social skills, and motor skills, etc.

The screening must identify children who are eligible for Chapter 1 services. It must be educational/developmental and uniformly applied and contain written or oral testing instruments. It may include results from sources such as readiness tests, diagnostic developmental assessments and teacher observations. School districts are encouraged to include parent information as a part of the information gathered. The process used must enable children to be ranked in order of greatest need. Chapter 1 regulations do not specify either the instruments or the methods to be used. Each school district must establish a procedure that has a standard to identify eligible children and a cut-off point to select children with the greatest need to participate. The standard and cut-off must be applied consistently throughout the district although it may vary by age levels. If the district provides other Chapter 1 funded prekindergarten programs, the same needs assessment procedure and standards must be used.

Children who are homeless, as defined by the Stewart B. McKinney Homeless Assistance Act, are considered eligible for Chapter 1 services regardless of residency requirements if they meet the eligibility standard established by the district. Children residing in an agency for Neglected or Delinquent children are also considered eligible for Chapter 1 services. Additional Chapter 1 funding may be available to provide services to these children.

All children of the age group to be served, residing in the eligible school attendance area(s), must be invited to participate in a screening to determine eligibility for participation.

Special Education

Children are eligible for Special Education services if they meet the criteria as defined in NDE Rule 51. The program outcomes and design must have the capability of meeting the needs of the children.

District Funded Programs for Select Groups of Children

A school district may elect to provide early childhood services to select groups of prekindergarten aged children. To participate in this **Early Childhood Combination Program**, the school district must define the criteria for selection and apply that criteria uniformly to available children of that age group in the district. If this option is used, 'district funded' is considered a program for determining portions of shared costs. To comply with the supplement, not supplant requirement of Chapter 1, if a school district offers and funds any preschool services, Chapter 1 children must receive their 'fair share' of district funds. For instance, if the district provides funds to one-half of the total population, the one-half must include the same proportion of Chapter 1 children as are in the entire district. Chapter 1 may then provide services to eligible children in the remaining half.

Parent Pay

The option to include children for whom parents pay can be included in this **Early Childhood Combination Program**. If this option is used, 'parent pay' is considered a program for determining portions of shared costs. There are no eligibility requirements.

Head Start

Eligibility for Head Start services is based on the income level of the family. There is no educational requirement for eligibility.

Identification of Individual Needs (Special Education, Chapter 1)

The Chapter 1 needs assessment process requires that individual needs be identified with 'sufficient specificity to ensure concentration on those needs'. IEPs are not required for Chapter 1 children but are allowable. IEPs are required for children served in Special Education.

Caseloads (Special Education)

According to NDE Rule 51, the maximum number of children with disabilities (ages 3 to 5

years) in a center based program is 10 children served together at any one time by one certificated staff member. The maximum number of children (18 months to 3 years) in a center based program is 6 children.

Allowable Costs/Sources of Funding

The **Early Childhood Combination Program** allows certain program costs to be shared on a pro-rated basis from multiple sources of funding. It does not allow co-mingling of funds due to the federal sources involved. This means that procedures must be established to provide an audit trail for all expenditures. Certain expenditures are also restricted or disallowed from the shared costs. A grid is provided of allowable costs and sources of funding. Concessions were made between the programs' allowable costs in order to provide equity in the shared costs portions of the budget.

Special Funding Considerations

Head Start

Since Head Start programs are a direct Federal grant to a local community agency and are not a part of the local school district budget, the district can make arrangements with the Head Start agency to cover their portion of the shared costs. Options may include monthly billing, annual contract, or any other arrangement. District funded portions of this program can be counted as part of the 20% in-kind match required for Head Start.

Parent Pay

If parent pay is one of the sources of funding included in this proposal, the district must establish accounting procedures to identify income and expenditures for this portion of the program. The school district must also determine a procedure to cover shortages, if they occur. A sliding fee scale may be applied to equalize access to the program.

Shared Costs

Proration Procedure for Shared Costs

These costs can be shared ONLY if all programs involved participate in sharing the costs. The portion of program expenses that are shared costs will be determined by defining a ratio of

children served from each program. To ensure that shared costs are credited to the proper program without monthly adjustments, schools may use the ratio based on the initial enrollment for 9 months (during the school year), with the accounts adjusted for the remaining months based on a ratio of the actual attendance of children in each program throughout the year. Attendance should be monitored throughout the year and these ratios can be adjusted more often if the need arises. School districts are encouraged to use Special Education's dates for certification of Below Age Five expenses (Dec. 10, Mar. 10, June 10) to check the ratio and make adjustments.

- 1) Determine a ratio based on initial enrollments at the start of the program. *Example: Initial enrollment is 25 children - 10 children from Special Education, 10 from Chapter 1, and 5 from Head Start. The ratio would be 10/25 or 40% for Special Education, 10/25 or 40% for Chapter 1, and 5/25 or 20% for Head Start.*
- 2) Use this ratio for all costs that can be shared according to the accompanying grid of Allowable Costs/Sources of Funding.
- 3) At the end of the school year, using the total daily attendance of participants in each program, determine the actual proportion of the total cost for each program. All accounts for shared costs would be adjusted, based on the new ratios, for the remaining months of the budget year. *Using the Example started above: A program is scheduled for 180 days (includes days scheduled for home visits). The total days of attendance (the sum of each child's attendance) might be 4360. If Special Education's attendance total was 1800 days, their share would be 1800/4360 or 41%. If Chapter 1's attendance total is 1660, their share would be 1660/4360 or 38%. In this example, Head Start's 900 days would be 21% of the total attendance. Thus, the final ratios would be 41%, 38% and 21%.*

It is essential that documentation be available to provide an audit trail of all adjustments. Documentation must be maintained for daily attendance. School districts can ease the possible burden of these adjustments by making every effort to maintain a consistent ratio of enrollment in each program. Except for Special Education, each program can maintain a waiting list of eligible participants to enroll during the year to maintain the same ratio as was present at the start-up of the program.

Appendix B contains the Guidelines for Support of Salaries and Related costs Under Programs of the U. S., Department of Education for Entities Governed by OMB Circular A-87. This discusses other options for documenting shared costs for personnel.

Since Chapter 1 is a forward funded program, if, at the end of the fiscal year, there are

insufficient funds in the total Chapter 1 budget to cover Chapter 1's share of the costs, the district must use district funds to fully fund the program costs. The same applies to Head Start. **It is not allowable to use Federal funds from one program to supplement shortages from another Federal program. See OMB Circular A-87: "Any cost allocable to a particular grant or cost objective under the principles provided for in this Circular may not be shifted to other Federal grant programs to overcome fund deficiencies, avoid restrictions imposed by law or grant agreements, or for other reasons."**

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Special Considerations for Shared Costs

Personnel: To be included as a shared cost, personnel (teachers, paraprofessionals, specialists) **MUST** provide an equal benefit to all participants. Example: A speech pathologist could be a shared cost if all children receive the same amount of instructional services.

Materials, supplies, instructional equipment: These items can be shared costs if used for general instruction to all participants. Classroom furniture and food (snacks and meals) while used by all and benefiting all participants are **not** shared costs due to the limitations on allowable costs of some programs.

Staff Development: Allowable shared inservice costs are activities designed to contribute to the professional growth and competence of staff and their parents through workshops, demonstrations, and school visits. Tuition and expenses of attending college classes are not allowed as a shared cost.

Specific Program Costs

Certain costs associated with this program cannot be shared because they pertain to only one program's requirements.

one

Initial Screening for Eligibility: Although eligibility requirements vary between programs, this activity can be designed and conducted cooperatively. Example: Language, cognitive, motor, and social development are key components of the design of the program. The screening is designed to identify children whose development is below what is appropriate for their age. Children with needs that are sufficient to meet the criteria for Special Education would be referred for further evaluation. The same information could provide information on Chapter 1 eligibility. The screening could also collect information on eligibility for Head Start. In this example, the screening costs can be shared by Chapter 1, Head Start and the school district.

Evaluation for Special Education, contracted services for special needs, and adaptive equipment are examples of program costs that must be paid

by Special Education.

Building Modifications for Accessibility: These are costs for the district and Special Education unless the building is owned by Chapter 1. According to State interpretation, Chapter 1 can fund building modifications or share the costs only if the building was purchased with Chapter 1 funds.

Food: Meals and snacks are available through the Child Nutrition program. (See Other Resources, p. 14). Snacks are not an allowable cost for Special Education except for instructional purposes.

Administration

Special Education programs have a limitation on administrative costs of 8% of actual Special Education program costs. To be a shared cost, each program is held to an amount not greater than the amount determined for Special Education.

If the Chapter 1 program currently provides administrative costs, Chapter 1 can share administrative costs. However, Chapter 1 funds cannot be used to supplant or replace costs or services previously provided by district funds or other Federal funds. Contact the Chapter 1 Office for assistance in determining allowable administrative costs.

Facility Expenses

Facility expenses are subject to further restrictions. Chapter 1 can share facility expenses only if the prekindergarten services are provided in a facility separate from the district's facilities.

If costs can be shared, use Special Education NDE 06-070 SPED BUDGET BIRTH TO AGE 5, determine a **Total Cost** using the allowable costs and object codes for Operation of Plant (2610) and Function and Maintenance of Plant (2620). Use this **Total Cost** in determining each program's ratio of the shared costs.

Transportation

Transportation costs are an option with some programs and a requirement for others. One program cannot provide and/or fund services, like transportation, to participants of another program. There are some options available:

- 1) pay parents mileage: In this option, the actual mileage costs would be charged to each program at the rate established for that program. This is

not a shared cost but a specific program cost. It is an allowable option in Chapter 1, Head Start and Special Education.

- 2) district provided transportation: **IF** all participants are transported, the total costs for providing transportation to participants in this program can be used to determine a cost per-mile. The cost-per-mile would be used to figure actual charges to each program based on the miles traveled by each child.
- 3) the district has an option of funding transportation costs for all participants, in programs in which transportation is an option, through the use of general funds.

District Costs

The contributions to the program made by the district can be included as in-kind expenses for Head Start. Two items that cannot be shared or specific program costs are telephone and classroom furniture. These are not allowable costs for Special Education and since all participants would benefit, no other federal funds can provide them.

Allowable Costs/Sources of Funding

	Chapter 1	Special Education	Head Start	District	Other
<u>Shared Costs</u>					
Staff and fringe benefits of classroom teachers and paraprofessionals	X	X	X	X	X
Instructional materials and supplies	X	X	X	X	X
Instructional equipment (excluding furniture)	X	X	X	X	X
Parent activities	X	X	X	X	X
Staff Development	X	X	X	X	X
Administration, Facility, Transportation Costs (* See guidance for options)	*	*	*	*	*
<u>Specific Program Costs</u>					
Initial screening for eligibility	X		X	X	
Identification of eligibility for Special Education		X			
Adaptive equipment for Special Education		X			
Contracted Services for Special Education		X			
Minor Building Modifications for Accessibility	*	X	X	X	
Food			X	Child Nutrition	
<u>District Costs</u>					
Telephone			X		
Classroom furniture			X		

Procedures

- 1) The school district develops a plan in collaboration with all programs involved which should include: administrators, early childhood specialists, Chapter 1 staff, Special Education staff, Head Start directors, other program directors, classroom teachers, counselors, parents, and other appropriate individuals.
- 2) An assessment of need is conducted to determine the number of children younger than eligible for kindergarten who are eligible for each of the programs.
- 3) A proposal (forms enclosed) is developed and submitted to NDE.
- 4) A NDE team will review the proposal and determine if it meets funding conditions for each program.
- 5) Approval from each program must be received through that program's usual approval process:

Chapter 1: funds must be included (or amended) into the regular budget on page 3 of the annual application (NDE 04-012).

Special Education: funds must be included as a part of Early Childhood Special Education costs on the Special Education Budget (NDE 06-070) and Transportation (NDE 06-071).

McKinney Act (Homeless): funds must be approved in an application NDE 04-037

- 6) The school district must establish an accounting procedure that allows shared personnel costs to be pro-rated among the programs. Each program must have a separate account. Enrollment data must be maintained to justify the adjustments made to prorate actual costs.
- 7) Payments from NDE (Special Education, Chapter 1, etc.) will be made according to the usual payment process for that program. Note: Special Education's Below Age 5 Final Financial Report may require printouts to support expenses charged to this program.

- 8) Monitoring of this program will be done in conjunction with the usual monitoring of the programs involved.

Application Due Date

Since each program involved has different fiscal calendars and time lines, proposals will be accepted by the Department according to the Chapter 1 calendar which has a July 1 application due date.

Other Resources

Stewart B. McKinney Homeless Assistance

The Stewart B. McKinney Homeless Assistance Amendments of 1990 [P.L. 101-645] authorizes State Educational Agencies to provide grants to local school districts for direct support services to homeless children and youth. These support services may include tutoring, remedial-education services, expedited evaluation for special education programs, counseling, social work, psychological services, early childhood programs and referrals to medical, dental, mental and other services. Part of the grant may also be used to defray the excess cost of transporting students to school when transportation would not be provided through other governmental funds.

Funds from this resource can be accessed by applying for a grant from the Office Of Coordinator of Education for Homeless Children and Youth at the Nebraska Department of Education.

Child Nutrition

If a school district is operating a prekindergarten program, breakfast and lunch can be reimbursed under the National School Lunch Program (NSLP). A school district would need to amend their NSLP application to add the prekindergarten site.

Child and Adult Care Food Program (CACFP) meals may include breakfast, lunch, snacks and infant meals. The age limit for CACFP is less than 13 years unless the child has a disability or is a child of a migrant worker. A child of a migrant worker must be less than 16 to be eligible for reimbursement. A CACFP application must be completed. Meals for infants are reimbursed at the same rate per meal as older children. The 1991-92 reimbursement rates for snacks at the free, reduced and paid rates are \$0.4575, \$0.2275, and \$0.0425, respectively.

Income eligibility forms must be completed by the family for the school to receive reimbursement at the free or reduced rate in either NSLP or CACFP.

Early Childhood Training Center

The Early Childhood Training Center is a statewide training project established to provide quality information services and on-site training and consultation to professionals in the field who serve young children and their families. This includes professionals working with young children with disabilities as well as children being served in child care, early primary, Head Start, prekindergarten settings and home settings. It is the goal of the Center to enhance training opportunities available across the state and to provide ongoing support to develop an interdisciplinary delivery model of training which will enable participants from a variety of disciplines and agencies, as well as a variety of community settings, to effectively implement training strategies to meet the needs of the young child and the family. Funded by the Nebraska Department of Education Offices of Child Development and Special Education, and administered by Educational Service Unit #3, the Center strives to respond to requests for information and the training needs of on-line staff and team members across the state.

The service components include: On-site Training and Consultation, High/Scope Training and Consultation, Head Start State Collaboration Project, Family Systems Project, Project Parent, Multimedia Services, and other special projects. Contact Linda Esterling, Director at (402) 391-8295 or: Early Childhood Training Center, 3534 South 108 Street, Omaha, NE 68144-4910.

Early Years Conference: Children, Families, and Communities This is an annual statewide Spring conference which is organized and managed through the Early Childhood Training Center. Sponsors include the Nebraska State Department of Education, Social Services and Health, The Head Start Resource Access Project, and University of Nebraska. Each year the conference brings approximately 300 people together whose interest is serving young children and their families.

Parent Involvement Conference

A statewide Chapter 1 Parent Involvement Conference is held annually, usually during the Veteran's Day legal holiday in November. This conference is designed in conjunction with parents and its purpose is to provide information to parents of Chapter 1 participants. School district personnel must be accompanied by parents in order to attend.

Child Care Assistance

Some participating families may be eligible to receive vouchers for child care costs from the Department of Social Services. These funds can be especially helpful in developing full working day programs. For information about this funding source contact: Deborah Marbry-Strong, Nebraska Department of Social Services, P.O. box 95026, Lincoln NE 68509-5026 at (402) 471-9451.

Appendix A

Return to:
 ESEA Chapter 1
 Nebraska Department of Education
 301 Centennial Mall South
 P.O. Box 94987
 Lincoln, Nebraska 68509

NDE 04-041
 (New 5/92)
 Date Due: July 1
 Page 1 of 7

Received by NDE: _____

EARLY CHILDHOOD COMBINATION PROGRAM PROPOSAL

School District Name:			
Address:	City:	NE	Zip:
Contact Person:			Phone:

Program and Directors	SEA Review and Approval
Program:	
Director (Name Typed):	
Signature:	Date:
Program:	
Director (Name Typed):	
Signature:	Date:
Program:	
Director (Name Typed):	
Signature:	Date:
Program:	
Director (Name Typed):	
Signature:	Date:

County/District Number _____
School Name _____

NDE 04-041
(New 5/92)
Date Due: July 1
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A. PROGRAM PLANNING AND DESIGN

A-1. Planning Team:

A-2. Program Objectives:

A-3. Location:

A-4. Staff/Student Ratio:

A-5. Schedule:

A-6. Parent Involvement Components:

A-7. Related Services:

INSTRUCTIONS

A. PROGRAM PLANNING AND DESIGN - PAGE 2

(Also see pages 1-4 of Guidelines)

- A-1. Planning Team:** List members and programs included on the team.
- A-2. Program Objectives:** The program objectives must include the major instructional areas.
- A-3. Location:** Indicate where the Early Childhood Combination Program will be located.
- A-4. Staff/Student Ratio:** Indicate the anticipated full time teaching staff to student ratio. Indicate if paraprofessional staff will be utilized.
- A-5. Schedule:** Provide the number of days/week and minutes/day that children and staff will be scheduled. Also indicate any time per week specifically devoted to home visits or other parent activities.
- A-6. Parent Involvement:** Describe the scheduled involvement of parents in the education of their children. Include a description of training opportunities to be provided to parents.
- A-7. Special Education/Related Services:** Describe any Special Education services to be provided and the scheduled time for delivery of these services.

County/District Number _____
School Name _____

NDE 04-041
(New 5/92)
Date Due: July 1
Page 3 of 7

A. PROGRAM PLANNING AND DESIGN (Cont.)

A-8. Transition to Kindergarten:

A-9. Coordination:

A-10. Staff Development:

A-11. Desired Outcomes:

A-12. Evaluation:

INSTRUCTIONS

A. PROGRAM PLANNING AND DESIGN (Cont.) - PAGE 3 of 7

A-8. Transition To Kindergarten: Describe the activities (including transfer of records) that will be conducted to transition the children to Kindergarten, if appropriate.

A-9. Coordination: Describe the coordination with any other services.

A-10. Staff Development: Describe the opportunities for staff development.

A-11. Desired Outcomes: Establish at least two desired outcome based on program objectives to be used for the annual evaluation. A desired outcome statement should contain a -

- goal - what the children should accomplish,
- outcome indicator - what will be used to measure success.
- standard or performance level - what level of success will show substantial progress, and a
- time frame.

A-12. Evaluation: Describe the procedure or instrument used to measure the progress of the children toward meeting the desired outcome.

B. PARTICIPANT IDENTIFICATION AND SELECTION

B-1. Identification Criteria and Standard:

B-2. Areas of Service:

B-3. Selection Criteria (Cut-off) - (Chapter 1 only):

B-4. Individual Needs:

B-5. Eligible and Participating Children

1. Attendance Area	2. Program: Chapter 1		3. Special Education		4. Program:	5. Program:	6. Program:
	Elig.	Part.	Part.	*Dis.	Participants	Participants	Participants
TOTAL							
Share							

* Disability - See Instructions on Back.

INSTRUCTIONS

B. IDENTIFICATION AND SELECTION - PAGE 4 of 7 (Also see Pages 5 and 6 of the Guidelines)

B-1. Identification Criteria and Standard: Describe instrument/procedure and the standard that is being used to identify children for this program. Include Special Education and Chapter 1 and other programs, if applicable. (If the school district provides any other preschool solely funded by Chapter 1, the needs assessment procedure must be consistent for both programs.)

B-2. Areas of Service: Describe the instructional areas and age levels of students to be served.

B-3. Selection Criteria and Standard (Chapter 1 Children Only): Indicate the criteria and the cut-off used to determine rank order of greatest need.

B-4. Individual Needs: All children participating in the Special Education program must have an IEP. It is suggested that IEPs be developed for children in Chapter 1 also. Describe how individual needs will be identified for children served in Chapter 1.

B-5. Eligible and Participating Children: Column 1: Indicate by school attendance area the number of children to be served in this program from the needs assessment data. If the entire district has been designated as a Chapter 1 preschool attendance area, use "District" in Column 1.

Column 2: Indicate the number of eligible children and the number that will be participating in Chapter 1.

Column 3: Indicate the number of participants in Special Education and their disability.
(Example: 3-SP, 2-LD)

Columns 4-5-6: Include the name of the program and the number of participants.

Total all columns.

Determine the "share" of each program by dividing the participants per program by the total enrollment of the Early Childhood Combination Program - See page 8 of the Guidelines.

C. BUDGET OF EXPENDITURES

C-1. Shared Costs: (Excluding Administration, Facility, Transportation)

Program							TOTALS
Share	%	%	%	%	%	%	
110							
120							
140							
210							
220							
230							
260							
290							
318							
330							
410							
420							
520							
560							
670							
TOTALS							

C-2. Specific Program Costs

Program							TOTALS
110							
120							
140							
210							
220							
230							
260							
290							
318							
330							
410							
420							
520							
560							
670							
TOTALS							

C. BUDGET OF EXPENDITURES (Cont.)

C-3. Administration

Total Administration Costs: _____

Special Education Program Costs = _____
 X _____ .08
 Allowable Administration Costs = _____

Program							TOTALS
Share	%	%	%	%	%	%	
110							
140							
210							
220							
230							
310							
341							
410							
670							
TOTALS							

C-4. Facility Expenses

Total Cost for Facility _____ (See Guidance)

* If located a in Chapter 1 owned or separate facility, Chapter 1 can share costs. If not, other programs still can pay only their share.

Program							TOTALS
Share	%	%	%	%	%	%	

C-5. Transportation

Describe Transportation Services To Be Provided:

How Will Each Programs Cost Be Determined:

If Applicable, Cost Per Mile _____ Mileage Rate _____

Program							TOTAL
Transportation							

INSTRUCTIONS
C. BUDGET OF EXPENDITURES
PAGES 5 AND 6
(Also see pages 7-11 of the Guidelines)

See **Allowable Costs/Sources of Funding** and the guidance provided to complete these budget pages. The **share** or proportion for each program is determined from the needs assessment data as recorded on page 4 of this proposal. Use the same proportion or share for all sections of this budget. **It is anticipated that this budget will be a projection since exact costs are not possible. Because there are multiple sources of funding involved (including grants), it is important that accurate records be kept to document all activities.**

C-1. Shared Costs:

For allowable shared costs, identify the program and the proportion or share. Identify costs by object code using the Nebraska School Accounting System available from the Nebraska Department of Education. Page 7 requires description of costs included in this section. Total the columns vertically and horizontally. Do not include any administrative, facility or transportation costs in this section.

C-2. Specific Program Costs:

Costs included in this section are not shared. **One column must indicate the district's costs for this Early Childhood Combination Program.**

C-3. Administrative:

If administrative costs are shared, no program (except district funded) can exceed the maximum allowable amount for Special Education. If administrative costs are not shared, each program can pay only for its share. Compute the Total Administrative costs for this program. Compute the costs allowable for Special Education. *One program cannot fund a service for another program.*

C-4. Facility Expenses:

Determine the total facility costs using the procedure provided for determining Special Education Allowable Facility Costs (ITEM 6.7, Page 17, SPECIAL EDUCATION BUDGET INSTRUCTIONS). Determine the share for each program. (Note: A limitation for Chapter 1 may be applicable depending on facility.)

C-5. Transportation:

Describe the means of transportation to be provided and the programs to be involved. Describe how each program's costs will be determined. If using cost per mile or mileage rate (for parent pay), include those. Provide an estimate of each program's costs.

INSTRUCTIONS
D. BUDGET ANALYSIS - PAGE 7

D-1. List all teachers and assigned buildings.

Use the following descriptions for services (Column 3). Contracted Service Providers are listed below in Part D-3.

Classroom (Shared Costs)

Diagnostic (Special Education)

Consultive (Special Education)

*Special Education Specialist (Special Education or, Shared Costs)

*A special education specialist, (i.e., speech pathologist) may be a shared cost if services are needed and are provided on an equal basis to all children (Chapter 1 and Special Education).

The totals must match the figures on **C-1. Budget of Expenditures.**

D-2. Identify all district personnel (except teachers) that will provide a service to this co-funded program. [Chapter 1 funds cannot be used to supplant costs previously provided by district or Federal funds. Chapter 1 also has limitations on personnel paid from more than one source. Contact the Chapter 1 office for assistance.]

D-3. Include the object code and a description and explanation for all 300, 400, 500 and 600 items budgeted. At a minimum, object codes 300 must identify all contracted services and all equipment (500's) must be listed. Special Education contracted Service Providers (object 318) must be listed by name, agency code and service code. Contracted Service Providers costs can be shared only if the service is needed and provided to all children in the program.

Appendix B

GUIDELINES FOR SUPPORT OF SALARIES AND RELATED COSTS UNDER PROGRAMS OF THE U.S. DEPARTMENT OF EDUCATION FOR ENTITIES GOVERNED BY OMB CIRCULAR A-87

The U.S. Department of Education (ED) establishes these guidelines concerning the requirement in OMB Circular A-87, Attachment B, paragraph B.10b.,¹ that the salaries and wages of employees chargeable to more than one grant program, or other cost objective² be supported by appropriate time distribution records. These guidelines apply only to grants, cooperative agreements, and related subgrants made to or with entities governed by OMB Circular A-87³ under programs for which the Secretary of Education has administrative responsibility (ED grants). The Secretary accepts, for purposes of this time distribution records requirement, a system for the support of charges for salaries and related costs that is consistent with these guidelines.

(1) Payroll documentation. Charges to an ED grant for salaries and wages, whether treated as direct or indirect costs, must be based on payrolls documented in accordance with generally accepted practices of the recipient State or local agency making the charges and approved by a responsible official of that agency.

¹ The requirement is as follows:

Amounts charged to grant programs for personal services regardless of whether treated as direct or indirect costs, will be based on payrolls documented and approved in accordance with generally accepted practice of the State local, or Indian tribal government. Payrolls must be supported by time and attendance or equivalent records for individual employees. Salaries and wages of employees chargeable to more than one grant program or other cost objective will be supported by appropriate time distribution records. The method used should produce an equitable distribution of time and effort.

² Cost objective, for the purpose of this document, means a pool, center, or other facility established for the accumulation of costs, including organizational units, functions, specific grants, projects, contracts or other activities.

³ OMB Circular A-87 applies to State, local or Indian tribal governments. See 34 C.F.R. § 80.22 (1991).

(2) Time distribution records. If an employee works on more than one program or cost objective, (such as two ED grants, two or more cost objectives under an ED grant,⁴ an ED grant and a grant under a program administered by another Federal agency, or an ED grant and one or more non-Federal programs), a distribution of the employee's salaries or wages is acceptable if supported by time distribution records that meet the standards in paragraph (3) of these guidelines or by a statistical sampling system or other substitute system that meets the requirements of paragraph (4) of the guidelines. Requirements regarding time distribution records systems are in addition to the standards for payroll documentation.

(3) Standards for time distribution records. Time distribution records are acceptable if they meet the following standards:

(a) They accurately reflect a distribution of the actual time spent on each activity by each employee. The Department does not accept budget estimates or other distributions determined before the services are performed as support for charges to an ED grant.

⁴ The following example represents a situation in which an employee of a grantee would be regarded as working on two or more "cost objectives" under a single ED grant. Under some programs, a grantee must satisfy the time distribution records requirement in order to assure compliance with program provisions that limit or cap the amount of grant funds that may be used, or establish a set-aside, for a certain activity. Where an employee of the grantee works on the activity that is the subject of the cap or set-aside, and on another activity, the time distribution records requirement must be satisfied. For example, in order to assure compliance with Section 1521(b) of Chapter 2 of Title I of the Elementary and Secondary Education Act of 1965, 20 U.S.C. 2931(b), which caps the amount of Chapter 2 funds that may be used for State administration and requires that a specified amount be used for effective schools, a State educational agency must maintain satisfactory records for SEA employees whose time is divided among one or more of these activities and technical assistance activities. These guidelines apply to this situation, as well as the more typical occasions for meeting the time distribution records requirement.

(b) They account for the total activity for which each employee is compensated.

(c) (i) They are prepared contemporaneously at least monthly and summarize the distribution of the employee's activity for the month in question.

(ii) The preparation of monthly time distribution records is acceptable if, in preparing the records, the employee relies upon available supporting documentation, such as calendars, class schedules, travel vouchers, or work product, and if entries are made to the best of the employee's knowledge and belief.

(d) They are signed by the employee or by a supervisory official who has first-hand knowledge of the activities performed by the employee.

(e) They may account for the time of clerical employees in the following manner:

(i) A clerical employee who provides clerical services for a single employee may base his or her time distribution records on the time distribution of that employee.

(ii) A clerical employee who provides clerical services for more than one employee may base his or her time distribution records on the time distribution of each employee served, adjusted through the use of a reasonable averaging method.

(f) Where an employee performs administrative, training, classroom teaching, technical assistance or other functions on a specific project that benefit more than one program or cost objective and the employee is unable to divide the time between each of the programs or cost objectives because of the nature of the project, costs may be charged to the programs or cost objectives on a basis other than the time spent, provided that charges are equitably distributed among funding sources. Examples:

(i) An employee spends a number of hours developing a manual for local educational agencies to use in improving

parental participation in programs supported by an ED grant and several other grants. Because one manual is produced, the employee is unable to divide the time spent on each grant. The grantee may prorate the costs to each grant in question on the basis of the proportion of funds allocated for each of the grants benefitting from the manual if this represents an equitable distribution.

(ii) A teacher teaches a class composed of 15 Chapter 1, and 5 special education, students with similar educational needs. The class is not structured in a way that permits allocation of time between groups; the class is taught as a whole. The teacher, at the end of the reporting period, may prorate time equitably based on the proportion of Chapter 1 and special education students, which in this example would be 75 percent to Chapter 1 and 25 percent to the Individuals with Disabilities Education Act. The allocation to each program would change each month if the class roster and proportion of Chapter 1 and special education students has changed.

The justification for the use of this method and the basis for the cost allocation must be developed at the time the method is adopted. The justification must be maintained in accordance with recordkeeping requirements.

(4) Substitute systems for meeting time distribution records requirement. (a) In place of time distribution records described in paragraph (3), a recipient may use a substitute system for allocating salaries and wages among programs or activities for a particular time period if the recipient, prior to charging Federal funds to particular cost objectives, obtains from an independent public accounting firm or another qualified auditor that meets the standards of independence in the General Accounting Office Government Auditing Standards a certification that the system--

(1) Is consistent with Generally Accepted Accounting Principles and with the standards in paragraph (4) (d); and

(ii) Provides distribution of costs to various programs and cost objectives that is equitable to the government and to the programs or cost objectives in question in accordance with OMB Circular A-87 and takes into account the benefit actually derived by each program or cost objective.

(b) (i) The certification called for in paragraph (4) (a) must describe the system employed and be available for inspection by the Secretary or his designee, together with the supporting documentation upon which the certification was based.

(ii) The applicable record retention requirement applies to the certification and the supporting documentation upon which the certification was based.

(c) Substitute systems may include random sampling, case counts, client counts, transaction counts, or other quantifiable measures of employee effort for a time period. Sampling and other measures should take into account relative effort or intensity of service as between different categories of clients served.

(d) A substitute system that uses sampling methods may be certified to satisfy the requirements of this paragraph if it meets acceptable statistical sampling standards, including the following:

(i) The universe from which a sample of employees is taken must include all of the employees whose salaries and wages are to be allocated by means of the sampling.

(ii) The entire time period for which salaries and wages are to be charged to a Federal grant involved must be covered.

(iii) The results must be statistically valid and applied only to the time period to which the sample may be validly extrapolated.

(iv) The results of the sampling system must be periodically updated to reflect changes in the measures used such as case counts or client counts.

(v) The recipient must use a valid and uniform system for converting the measure of employee effort (such as case counts, client counts) into time.

(e) A public accounting firm or qualified auditor that has provided a certification for a substitute system under this paragraph (4) may not also audit the certification or the system in question in connection with an organization-wide or single audit under OMB Circular A-128.

(5) Written requests for guidance. If a state or local educational agency has a question about its time distribution system or is not sure of the allowability of certain expenditures, it may write to the U.S. Department of Education for guidance pursuant to section 453 of the General Education Provisions Act, 20 U.S.C. 1234b(b). Written guidance provided by an authorized Department official and reasonably relied upon by a State or local educational agency may be used to reduce or eliminate liability for a future finding of unallowable expenditures. See Section 453 and 34 C.F.R. 81.23 for a complete statement.

(6) Monitoring. (a) A system of keeping time distribution records described in paragraph (3) or a substitute system approved in accordance with paragraph (4) is subject to monitoring and subsequent audit to ensure that the system has been properly implemented and is working as designed by the grantee as described in the certification.

(b) If the Department upon audit or otherwise reviews a system for which there is in effect a bona fide certification described in paragraph (4), the Department may provide further guidance or direction regarding the system and its use in meeting the time distribution records requirements. However, the Department will not question prior costs incurred in accordance the proper implementation of a substitute system that has received a bona fide certification.

(7) Professional standards. An independent public accounting firm or qualified auditor that provides a certification as described in paragraph (4) must use due professional care and operate within the standards of professional ethics. The Department will take appropriate steps to ensure adherence to these standards.

(8) Consequences of failure to meet the requirement. If a grantee fails to keep time distribution records in accordance with paragraph (3) of these guidelines or fails to establish and maintain a pre-approved substitute system in accordance with paragraph (4), or otherwise fails to satisfy the time distribution records requirement, the Department takes an audit exception and recovers funds proportionate to the harm to an identifiable Federal interest. See 20 U.S.C. 1234b(a). A grantee that fails to keep records or maintain a satisfactory system is subject to audit and potential recovery of funds.

(9) Effect: continuing review. These guidelines contain acceptable, but not exclusive, approaches concerning the time distribution records requirement. Officials of the Department, including the Inspector General, regard compliance with these guidelines to be compliance with the Circular A-87 time distribution records requirement. The guidelines do not prevent recipients from adopting other alternatives to meet the requirement. The Department will closely review the operation of this non-regulatory guidance document to ensure that it affords both accountability and flexibility with respect to the time distribution records requirement as it affects ED programs.

(10) Effective date. These guidelines are effective on issuance and are applicable to pending cases except where an advance certification is required.

Questions regarding these guidelines may be addressed to Theodore Sky, (202) 401-2603.