

## **Educational Cooperative EC Special Education Programs Early Childhood Funding 2020-2021**

### **Federal Preschool**

1. Federal Preschool funds will be distributed to districts using the same formula currently used.
  - a. Federal Preschool funds will go directly to districts on a reimbursement basis
  - b. Federal Preschool funds will be reimbursed the same as other federal program reimbursements
  - c. Recommend that ESC invoice school district's quarterly. It will be the district's responsibility to maintain records for federal accountability
2. Co-ops will be allowed to carryover federal preschool balances into the 20-21 School Year; these funds should expended by December 31, 2020.
3. Co-op EC programs should spend down federal preschool balances prior to invoicing districts for preschool services in the 20-21 school year to ensure that any expiring funds are used first.

### **State Preschool**

1. State Preschool funds will be distributed by a per student calculation, per total amount allocated.
2. State Preschool funds will be included next year in the NEW **Funding Notification** to Districts (this will include state and federal funds).
  - a. State Preschool funds will go directly to Districts in 20-21
3. Co-op EC Programs carryover funds must be spent by December 31st of the same year (ex.: carry over funds from FY20, must be spent by December 31, 2020).
4. Remaining state funds that have not been reimbursed in FY20, will be distributed to identified educational service cooperative. These funds should be taken into consideration when determining the local MOU costs.

### **Medicaid and ARMAC**

1. Medicaid and ARMAC will be distributed to District and Co-ops EC programs
2. Medicaid and ARMAC can be carried over, but should continue to be spent on health related items or therapy.
3. Medicaid Match will be the responsibility of the district. DESE will no longer pay the Co-op Medicaid match. All State Preschool funds will be distributed to the districts.
4. Medicaid billing and match should be addressed in the MOU between District and Co-op. If the MOU outlines the responsibility of the match to be paid for by the ESC, the ESC may use their own Medicaid billing number.

### **Co-op Charges to School Districts for the Provision of EC Special Education Services**

1. For auditing purposes, Co-ops are encouraged to base the amount charged to the district on a per child projected cost. The per child cost will vary by Co-op area. A projected cost can be determined by:

- i. Adding projected EC special education expenditures associated with the following codes ( 2019 Annual Financial Report):
      1. 6710 Federal Preschool
      2. 6749 and 6750 - EC Medicaid
      3. 2260 State Preschool
      4. 2030 Local Funds
    - ii. Subtracting projected EC Medicaid revenues from projected EC special education expenditures
    - iii. Dividing by number of 3-5 year old children projected to be served (December 1 EC Child Count)
    - iv. This will give a projected cost per student
  2. It is allowable, for Co-ops to enter into an agreement with districts to charge the entire amount of federal and state preschool the district is projected to receive (in addition to a local charge) for the provision of special education services. Districts will be the responsible fiscal agent.
    - a. Estimated per child revenue could be based on the final [state](#) and [federal preschool amounts](#) received by the co-op in 2018-2019, divided by the number of students on the co-op's December 1, 2017 child count.
  3. Regardless of the agreement terms between the co-op and district, all revenues may be receipted to **Fund 2030** by the Co-op (Revenue Code 19510)
- OR
- Funds may be kept in separate fund codes (6710, 2260, and 2030).
4. Districts will be the responsible fiscal agent, and Cooperatives will be monitored for compliance provisions outlined in MOU.

### General Information

1. Districts and Co-ops will need to enter into an MOU that specifically outlines the services the Co-op will provide on behalf of the District and the manner in which the fees were determined.
  - a. DESE will be reviewing these MOUs as part of standard monitoring procedures.
    1. [Sample MOU](#)
2. Co-ops will not be expected to provide State or Federal Preschool Budgets to DESE
3. If state and federal Funds are combined in Fund 2030 at the ESC, carryover funds must be spent by December 31st annually.
4. Coops that keep state and federal funds separate will need to have Fund 6710 and Fund 2260 spent by December 31st annually.
5. Districts that are contracting with Co-ops to provide EC services will be responsible for the budget of State and Federal Preschool funds being provided to the Co-op as 1290-65910 (Preschool-Purchase Services) titled as "Early Childhood services provided by Co-op."
6. Districts that operate their own EC programs will not change budgeting procedures.