



STATE OF IOWA

TERRY BRANSTAD, GOVERNOR
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DEPARTMENT OF EDUCATION
JASON E. GLASS, DIRECTOR

To: School District Superintendents
School District Business Officials

Cc: Department of Education Early Childhood Staff Members
Department of Education School Improvement Staff Members
Linda Fandel, Governor's Office

From: Jason Glass, Director

Subject: Additional guidance and clarification on the 5% administration language included in House File 645 and signed July 27, 2011

Date: August 31, 2011

In our legislative guidance Letter to the Field dated August 16, 2011, we addressed changes to statute related to the statewide voluntary preschool program. The purpose of this memo is to update that guidance.

As you know, the preschool funding level for FY12 is 0.5 FTE or \$2941.50 per qualified child. Of that amount and per HF 645, districts may retain up to 5% for administrative costs. In additional conversations with stakeholders and policymakers, it has been determined that the remaining 95% of the \$2941.50 per qualified child flows to the private partner in cases where students served by the private partner are participating in the program. This amount can be in-cash or in-kind (district provides teacher, instructional materials, transportation, etc.) or a combination thereof. We recognize that this will require a reexamination of existing agreements and that many of these agreements will need to be renegotiated.

Also please be reminded that uses of funds are an issue that will be addressed through the local audit process. Since the initial funding flows to the school district, it is a reasonable expectation that the school district be able to account for all revenues and expenditures, which means partners will have to provide documentation of expenses related to program cost. All entities involved (school district and partners) should follow required and accepted accounting practices when documenting uses of funds.

Please contact Kevin Fangman, (515) 281-3333 or kevin.fangman@iowa.gov if you have additional questions or concerns. Thanks.

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