Introduction to Funding Strategies to Enhance Inclusive Preschool Environments
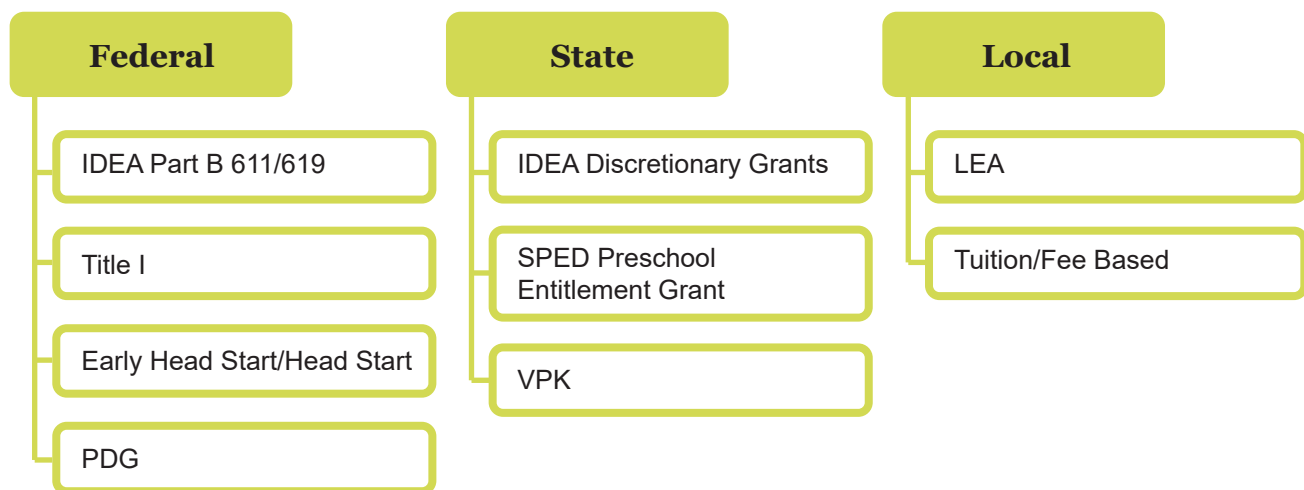
The purpose of this document is to provide a high-level introduction to different approaches to funding high-quality, inclusive preschool opportunities for the youngest learners of Tennessee.

Why Funding Preschool Inclusion Matters

Meaningful inclusion means all children in the classroom can access, participate in, and learn from classroom activities, regardless of ability. Expanding young children's access to inclusive preschool programs requires a thoughtful investigation of the overarching system and the collaborative partnerships and funding needed to support the system.

Funding Streams that Support Preschool Inclusion[1]

Let's explore federal, state, and local funding streams that your district can leverage to develop high-quality, inclusive preschool programs. Depending on your district there may be additional local and private options available.[2]

Federal	State	Local
IDEA Part B 611/619	IDEA Discretionary Grants	LEA
Title I	SPED Preschool Entitlement Grant	Tuition/Fee Based
Early Head Start/Head Start	VPK	
PDG		

Key Questions for District Leaders

- What funding streams listed above are available within your district?
- Which funding streams are you utilizing to fund inclusive programs?
- Are there funding streams that you are not currently taking advantage of?
- What are some of the major operational costs that your district spends on inclusive classrooms?

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[1] Finance glossary. ECTA Center. (n.d.). **https://ectacenter.org/topics/finance/financeglossary.asp#blending-and-braiding-funds**
[2] Please see the Acronym table on page 4 for the meaning of acronyms used throughout this document.

Determining Fiscal Strategies to Support High-Quality Inclusion

Determining the best fiscal strategy for your inclusive preschool program will involve more than a discussion about funding streams. It involves examining what is *possible*, what is available, what is *beneficial*, and what is *allowable* based on districts', students', families', and educators' unique needs.[3]

When considering a fiscal strategy that meets your program's unique needs and goals, it is important to remember that funding sources are targeted to support specific populations and come with individualized **rules and regulations** that must be followed. For detailed information about the rules and regulations of various funding streams and what is allowable, please refer to Part B, Section 611 starting on page 45, and Part B, Section 619 starting on page 51 of the **Tennessee Department of Education Federal Spending Handbook**.[4]

Braiding funds refers to the strategic use and management of financial resources from multiple sources to support meaningful early childhood inclusion.

Braiding funds is a financial strategy to support an inclusive classroom. Braiding involves coordinating funds from different sources, or program types, for one purpose while maintaining each funding source's identity and expenditures. When funds are braided, they retain their unique identity and can be traced back to their roots.

FUNDING SOURCE   EARLY CHILDHOOD CLASSROOM

Entitlement Grant
LEA
Title I
IDEA Part B 611/619
VPK

*Please note this example does not include all possible funding sources.

Fiscal Strategy 1: Cost Sharing

Cost sharing is an example of a braiding strategy where each program contributes an equal amount per child. To implement this, the per-child cost is determined, and each funding source pays that amount for the children it supports. Use the table below to consider your annual expenses for an inclusive program. Once you have identified the cost for each expense, determine the cost per child by dividing the total cost of expenses by the number of children in the inclusive classroom. This will help determine the cost per child that each funding source will contribute to fund the inclusive classroom.

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[3] Tennessee Department of Education. (2023, March). Federal spending handbook - eplan. Federal Spending Handbook. **https://eplan.tn.gov/DocumentLibrary/ViewDocument.aspx?DocumentKey=1576652&inline=true**
[4] Tennessee Department of Education. (2023, March). Federal spending handbook - eplan. Federal Spending Handbook. **https://eplan.tn.gov/DocumentLibrary/ViewDocument.aspx?DocumentKey=1576652&inline=true**

Annual Expense		Cost	Cost Per Child
Teacher(s)			
Assistant(s)			
Materials			
Additional operating cost (specify)			
If Applicable:			
Professional Development			
Transportation			
Total Cost per Year			**Cost per child $**
Divide the total cost by the number of children in the classroom =			

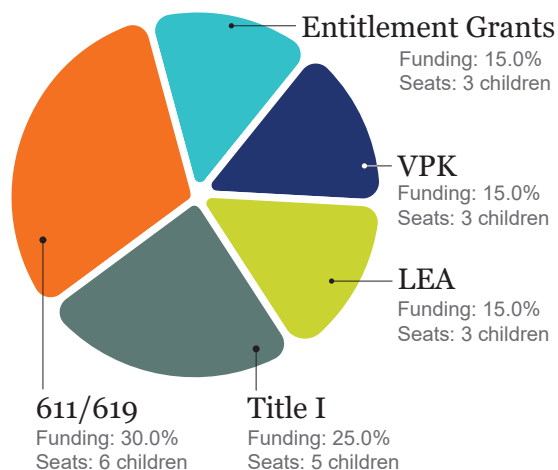## Fiscal Strategy 2: Cost Sharing – Cost Contribution

Cost sharing – cost contribution occurs when multiple funding sources contribute to a program. In this approach, each source provides a specific dollar amount, which may be based on the cost per child, or another agreed-upon figure. In the chart below, make a list of each federal, state, and local funding stream that will contribute to the inclusive classroom. Each funding stream may contribute a different amount per child. Multiply the cost per child that the program will contribute by the number of children within that funding stream to determine each program's total cost contribution.

In this example, you will have to determine if each program's cost contribution equals enough to fund the classroom.

Funding Source (if applicable)	$ per Child	# Children	Total Cost Contribution
IDEA Part B 611			
IDEA Part B 619			
State Special Education Entitlement Grant			
LEA Funds			
IDEA Discretionary Grant Funds			
Fee Based Tuition			
Title I Funds			
Voluntary Pre-K			
Other:			
Total Children and Program Cost Contribution			

When braiding funds in an early childhood classroom administrators must determine how many children from each funding source will be served: LEA, 611/619, Title I, Entitlement Grant and/or VPK, to help plan the classroom budget. See the example to the right demonstrating how the number of children from each funding category can help the administrator plan the percentage of funding from each source.

Please note this example does not include all possible funding sources.

Entitlement Grants
Funding: 15.0%
Seats: 3 children

VPK
Funding: 15.0%
Seats: 3 children

LEA
Funding: 15.0%
Seats: 3 children

611/619
Funding: 30.0%
Seats: 6 children

Title I
Funding: 25.0%
Seats: 5 children

Allowable Spending Based on Funding Source

The chart below provides examples of allowable spending by funding sources in Tennessee. This chart does not include all allowable spending options, but it is a comprehensive overview of the types of allowable spending across different programs.

Whether you are cost sharing or cost contributing, you can determine how funds can be spent based on program type and depending on how many children are placed in the inclusive classroom from each program type.

Funding Source	Allowable Spending
Tuition / Fee Based	✓ General education teacher ✓ General education assistant ✓ Professional development ✓ Curriculum ✓ Curriculum materials
IDEA Part B	✓ Special education assistant ✓ Special education teacher and administrator ✓ Dually certified teacher ✓ Itinerant teacher ✓ Related service providers ✓ Professional development on supporting children with disabilities ✓ Assistive technology, supports, and/or services ✓ Supplemental aids and services
IDEA Discretionary Grant Funds	✓ Special education assistant ✓ Special education teacher and administrator ✓ Dually certified teacher ✓ Itinerant teacher ✓ Related service providers ✓ Professional development on supporting children with disabilities ✓ Assistive technology, supports, and/or services ✓ Supplemental aids and services
LEA Funding	✓ Any Pre-K personnel ✓ High quality instructional materials ✓ Any district determined expenses
Title I	✓ Supplemental instructional supplies ✓ Materials ✓ Software ✓ Equipment ✓ Supplemental Pre-K teachers and educational assistants
Entitlement Funding	✓ Professional development ✓ Curriculum materials ✓ Playground materials for inclusion ✓ Subs for staff to attend professional development
VPK	✓ General education teacher ✓ Dually certified teacher ✓ General education assistant ✓ Professional development ✓ Curriculum ✓ Curriculum materials

Consideration for Making Finance Decisions to Promote Inclusion

Exploring new fiscal strategies to promote preschool inclusion can feel overwhelming! Districts can tailor their funding approaches to meet the unique needs of children and families within the community and depending on the types of early childhood programs that exist within the district. Below are a few quick steps to get started.

Step 1: Identify program needs by determining what early childhood programs you have in the district, bring administrators together to explore fiscal strategies.

Step 2: Develop a coordinated financing plan.

Step 3: Determine allowable spending for each program.

Step 4: Determine how many seats are available in each classroom and the costs per program.

Step 5: Develop fiscal agreements, implement fiscal strategies, track, review and improve strategies as needed.

How Can I Receive Assistance in Implementing a Fiscal Strategy?

Contact AnLar to provide one-on-one consultation and partnership with your district to target support to your specific challenges and needs. AnLar can support your team in examining your early childhood program structure and determining the best fiscal strategies and/or grant opportunities to expand access to inclusive opportunities for young children with disabilities. Reach out to AnLar's team at **tn-tanteam@anlar.com**.

> *If you have questions regarding funding approaches, contact the Early Learning Division of Academics with the Tennessee Department of Education:*
>
> *Misty Moody | Assistant Commissioner of Early Learning | **Misty.Moody@ed.gov***
> *Dolly Gerregano | Senior Coordinator of Early Childhood Special Education | **Dolly.Gerregano@tn.gov***
> *Colleen VanDyke | Senior Coordinator of Early Childhood Special Education | **Colleen.VanDyke@tn.gov***

Acronym	Resources
IDEA	**Individuals with Disabilities Education Act**
IDEA Section 611	**IDEA funding for children with disabilities for ages 3-21**
IDEA Section 619	**IDEA funding for children with disabilities for ages 3-5**
VPK	**Voluntary Pre-K**
LEA	Local Education Agency

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