

**COLORADO DEPARTMENT OF EARLY CHILDHOOD**

**Colorado Universal Preschool Program**

**UNIVERSAL PRESCHOOL PROGRAM RULES AND REGULATIONS**

**8 CCR 1404-1**

*[Editor's Notes follow the text of the rules at the end of this CCR Document.]*

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**4.103 DEFINITIONS**

~~KK.~~ “~~Provider rate formula~~” means ~~the formulas for setting the per-child rates for universal preschool services, for preschool services for children with disabilities, for preschool services for eligible children who are three (3) years of age or younger and for additional preschool services.~~

~~KKLL.~~ “Preschool services” means ...

~~LLMM.~~ “Qualifying factor” means ...

~~MMNN.~~ “Qualified substitute” means ...

~~NNOO.~~ “Resource Bank” means ...

~~OOPP.~~ “School District” means ...

~~PPQQ.~~ “School year” means ...

~~QQRR.~~ “Short term basis” means ...

~~RRSS.~~ “Sibling” means ...

~~SSTT.~~ “Staff aide” means ...

~~TTUU.~~ “Substitute” means ...

~~UUVV.~~ “Universal preschool services” means ...

**4.107 ELIGIBILITY AND PRESCHOOL SERVICES FOR CHILDREN FOUR (4) YEARS OF AGE, IN THE YEAR PRECEDING KINDERGARTEN**

B. Additional Preschool Services

2. Subject to available appropriations and after making the efforts in rule section 4.108(EE), below, a child who is in a low-income family per rule section 4.105(A), or who meets at least one (1) qualifying factor in rule section 4.105(B), may receive fifteen (15) additional hours per week of additional preschool services in the school year preceding the school year in which the child is eligible to enroll in kindergarten to achieve full-day preschool service.

**4.108 PRESCHOOL PROVIDER PROGRAM FUNDING AND PER-CHILD RATES FOR CHILDREN THREE (3) AND FOUR (4) YEARS OF AGE**

A. Preschool program funding distributed to preschool providers shall be used only to pay the costs of providing preschool services directly to eligible children enrolled by the preschool provider or by a subcontracted preschool provider as authorized for a school district pursuant to section 26.5-4-208(3)(c)(II), C.R.S. Where applicable, preschool program funding can be used to cover special education and related services costs that are in excess of Exceptional Children's Educational Act (ECEA) and Individuals with Disabilities Act (IDEA) funds if the costs are allowable per rule section 4.108(A)(1) through (5). The costs of providing preschool services include:

1. Teacher and paraprofessional salaries and benefits;
2. The cost of providing to teachers and paraprofessionals any professional development activities associated with the preschool services;
3. The costs incurred in purchasing supplies and materials used in providing the preschool services;
4. Any additional costs that a preschool provider would not have incurred but for the services provided in conjunction with the preschool services; and
5. A reasonable allocation of overhead costs as provided in rule section 4.108(G).

BA. Participating providers must agree to guarantee families at least the minimum number of hours defined in ~~this rule~~ sections 4.106(B) and 4.107(A) and (B) for the per-child rate that is provided.

CB. Pursuant to section 26.5-4-208(3)(b)...

DC. Excess funds allocated to the preschool program...

ED. The Department, working with local coordinating organizations...

FE. The per-child rate funding formula for all types of preschool services covered under the preschool program applies to the following categories of services that a family may enroll their eligible child in, as specified in sections 26.5-4-204 and 208, C.R.S...

G. **Overhead or Indirect Costs.** Overhead or indirect costs represent the expenses of doing business that are not readily identified with the delivery of preschool services, but are necessary for the general operation of participating preschool providers. Preschool providers shall be allowed to expend a reasonable allocation on overhead or indirect costs, not to exceed fifteen percent (15%) of the total preschool program per-child rate funding received.

HF. **Per-Child Rate Funding Formula and parameters.** The Colorado Universal Preschool Program per-child rate formula is expressed as  $((PKC*PS*PA) + (PKC*(1-PS))*CL)* LIC*GF*QE*CP/IEE$ . The formula includes a base rate cost of high quality preschool services (PKC) with specific parameters adjusting for personnel costs (PS) and variances to costs by region (PA). Further adjustments are applied for local costs of living (CL), considerations of a community's poverty

Commented [EK1]: 5/16/24: Executive Director Consideration

Commented [EK2]: 5/9/24: RAC Suggestion to clarify accounting definitions for "administrative, overhead, and indirect costs."

Commented [EK3]: 5/9/24: RAC Recommendation to align with the Federal Uniform Guidance for indirect costs. Federal Guidance is expected to increase to 15% in October 2024.

level (LIC), geographical factors (GF), increased quality of services (QE), and an annual adjustment for inflation ~~and (economic factors (IEF)GPI).~~

1. **PKC (pre-k costs)** means the base cost of providing high quality preschool services based on unique characteristics of provider settings and the families/children they serve, recognized best practices and evidence-based standards, pursuant to sections 26.5-4-208(1)(A)(I) and 26.5-4-205(2), C.R.S.
2. **PS (personnel share)** means the share of costs accounted for by personnel costs, including salaries and benefits.
3. **PA (personnel adjustment)** means the adjustment factor that accounts for regional variations in personnel costs.
4. **CL (cost of living)** means a cost-of-living adjustment determined at the county level to reflect evolving local economic realities and support recruitment and retention of a high-quality workforce, as required by section 26.5-4-208(1)(A)(III), C.R.S.
5. **LIC (low income by county)** means the parameter determined at the county level to account for the identification of children in low-income families, as defined by rule section 4.105(A) and pursuant to section 26.5-4-208(1)(A)(IV), C.R.S.
6. **GF (geographic factor)** means the factor that adjusts for regional differences and circumstances unique to rural communities that result in variations in the cost of providing preschool services, which may include difficulties in achieving economies of scale in rural areas and in recruiting and retaining preschool educators, as required by section 26.5-4-208(1)(A)(III), C.R.S.
7. **QE (quality enhancement)** means the component that accounts for the cost of providing professional development activities and salary incentives to teachers and paraprofessionals pursuant to sections 26.5-4-208(1)(A)(I) and 26.5-4-205(2), C.R.S.
8. **IEF (inflation and economic factors)** means the annual rate of inflation, estimated for the Denver-Aurora-Lakewood core based statistical area, and other state economic factors, including but not limited to personal income, population and employment factors, and construction cost indicators, adjusted by the Department for any other financial forecasts and circumstances directly impacting available resources for the preschool program. The Department will evaluate and consider data from the Bureau of Economic Analysis, Colorado Department of Local Affairs, United States Census Bureau, and United States Bureau of Labor Statistics to develop the IEF annually as part of the per-child rate setting process. ~~**GPI (consumer price index)** means the annual rate of inflation estimated for the Denver-Aurora-Lakewood core based statistical area that is applied to account for exigent economic changes.~~

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#### Editor's Notes

##### History

New rule emer. rule eff. 09/29/2022.

Rules 4.101, 4.104, 4.105 emer. rules eff. 11/21/2022.

Rules 4.100-4.103 eff. 01/14/2023.

Rules 4.101, 4.104, 4.105 eff. 03/17/2023.

Rule 4.105 emer. rule eff. 06/23/2023.

Rule 4.105 eff. 09/30/2023.

Entire rule emer. rule eff. 01/22/2024.