

GA 2/100.10/12267/1996
c. 2

COLORADO STATE PUBLICATIONS LIBRARY
GA2/100.10/12267/1996 c.2 local
Colorado, Office of/Colorado Preschool P

3 1799 00022 5003



REPORT OF THE STATE AUDITOR

Return to
State Publications Library
261 East Colfax Avenue, Room #314
Denver, CO 80203

**COLORADO PRESCHOOL PROGRAM
PERFORMANCE AUDIT
JULY 1996**

**LEGISLATIVE AUDIT COMMITTEE
1996 MEMBERS**

Representative Norma Anderson
Chairman

Representative Ben Clarke
Vice-Chairman

Representative Steve Acquafresca
Senator Tilman M. Bishop
Senator Rob Hernandez
Representative Gloria Leyba
Senator Ray Powers
Senator Bill Thiebaut

State Auditor's Office Staff

J. David Barba
State Auditor

Larry T. Gupton
Deputy State Auditor

Lou Skull
Sally W. Symanski
Jacqueline Hatfield
Heather Sanchez
Legislative Auditors



STATE OF COLORADO

J. DAVID BARBA, C.P.A.
State Auditor

OFFICE OF STATE AUDITOR
(303) 866-2051
FAX (303) 866-2060

Legislative Services Building
200 East 14th Avenue
Denver, Colorado 80203-2211

July 17, 1996

Members of the Legislative Audit Committee:

This report contains the results of a performance audit of the Colorado Preschool Program. The audit was conducted pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct performance audits of all departments, institutions, and agencies of state government. This report presents our findings, conclusions, and recommendations. It also contains the responses of the Colorado Department of Education.

J. David Barba



TABLE OF CONTENTS

	PAGE
SUMMARY	1
Recommendation Locator	9
DESCRIPTION	13
Chapter 1. ASSESSMENT OF PROGRAM NEED	19
Information Is Required To Determine Whether All Target Population Is Being Served	22
Increased Coordination With Other District Preschool Programs Is Needed	28
Review for Possible Duplication of Program Services	31
Chapter 2. USE OF COLORADO PRESCHOOL PROGRAM FUNDS	35
Steps To Ensure Compliance With Legislative Intent for Use of Colorado Preschool Program Funds Should Be Taken	39
Colorado Preschool Program Funds and Categorical Buyout Districts	44
Chapter 3. EVALUATION AND QUALITY STANDARDS	47
Current Statewide Evaluation Information on the Colorado Preschool Program Is Not Available	48
Quality Standards and Program Monitoring	53
APPENDIX A - Colorado Preschool Program Funding - Fiscal Year 1996	A-1
APPENDIX B - Colorado Preschool Program Funding - Fiscal Years 1989 through 1996	B-1





J. DAVID BARBA, C.P.A.
State Auditor

**COLORADO PRESCHOOL PROGRAM
PERFORMANCE AUDIT
JULY 1996**

Authority, Purpose, and Scope

The audit of the Colorado Preschool Program was conducted under the authority of Section 2-3-103, C.R.S., which authorizes the State Auditor's Office to conduct audits of all agencies of state government. The audit was conducted according to generally accepted government auditing standards.

The purpose of the audit was to review the Colorado Preschool Program, which is overseen by the Colorado Department of Education. The Colorado Preschool Program is directed toward four- and five-year-olds who lack overall learning readiness due to significant family risk factors, who are in need of language development, or who are receiving services from the state Department of Human Services as neglected or dependent children and who would benefit from participation in the state preschool program.

The audit focused on the assessment of need for the Colorado Preschool Program in the State; fiscal accountability for program funds; and evaluation and monitoring of program performance. As part of our audit we interviewed state and local personnel, reviewed files and other documents, analyzed data, and visited seven school districts that participated in the Colorado Preschool Program during Fiscal Year 1996. These districts represent almost 34 percent of all preschool children served in that period under the program. Audit work was performed from December 1995 through June 1996.

Our audit did not include a review of the full-day kindergarten pilot program that is under the Colorado Preschool Program Act. This program was first authorized to operate in Fiscal Year 1996 for 150 children and is directed toward the same type of at-risk children as the preschool program.

The following is a summary of our significant findings and recommendations as well as summary responses from the Colorado Department of Education.

The Department Should Reassess Whether the Target Population Under the Colorado Preschool Program Has Been Served

The Colorado Preschool Program has been expanded over the years and served 6,500 children during Fiscal Year 1996. Current statutes permit one further increase to 8,500 children for Fiscal Year 1997. The program has also expanded from 33 participating school districts in 1989 to 110 districts in Fiscal Year 1996.

For further information on this report, contact the State Auditor's Office at (303) 866-2051.

Since the fall of 1989 the Department has not conducted a systematic statewide analysis to find out if all of the children in the target population for the Colorado Preschool Program are being served. Therefore, information is not available on whether an unmet need for the program still exists among the target group. There is also a need for information about possible capacity issues that could affect efforts to expand the program further, such as lack of adequate facilities and qualified community providers.

As of Fiscal Year 1996 there were 66 districts out of 176, or 37.5 percent, that did not participate in the Colorado Preschool Program. These 66 districts represent about 4,340, or 8.7 percent, of the four- and five-year-olds that will be eligible for kindergarten in Fiscal Year 1997. We found nonparticipating districts tend to have smaller kindergarten through twelfth grade enrollments and higher per pupil costs as calculated under the State's equalization formula for student funding. We also found that 31 of the 66 nonparticipating districts, or about 47 percent, had relatively high "risk factors" as calculated under the Public School Finance Act funding formula. Districts that have high risk factors for early grade school children under the Public School Finance Act also may be likely to have preschool children who would qualify for services under the Colorado Preschool Program.

During the 1995 Session legislation was introduced, but not passed, to expand the target population for the Colorado Preschool Program to at-risk three-year-olds. The Department has supported efforts to expand the Colorado Preschool Program. The General Assembly will need to decide if any additional resources should go to serving unmet need among the present target population or toward at-risk three-year-olds, or both. If not all at-risk children can be served, it may be necessary to develop a system to prioritize which children receive services. **We recommend that the Colorado Department of Education assess whether the Colorado Preschool Program is serving all eligible children in the target population and report to the General Assembly on the need for program expansion and associated costs.**

Colorado Department of Education Response:

Agree. A systematic statewide analysis to determine the extent to which the target population is being served is desirable and would be useful to the General Assembly. Nothing in the current Act requires that such an assessment be conducted. Currently the Colorado Preschool Program funds are awarded based upon a community submitting a needs assessment that justifies the number of children it is seeking to serve. Expanding this requirement to include the local communities also determines that the unmet need will place additional workload on those communities. The target population also includes children who are age five and eligible for Kindergarten. Currently only 135 children meeting this criteria are being served. It would not be difficult to determine that the unmet need of this population is well above the current allocation.

Cost: .5 FTE, operating and travel-\$33,000. Estimated cost to communities-\$25,000.

Implementation: Upon direction from the General Assembly that this information is wanted and resources for implementation are made available.

Review for Possible Duplication of Program Services

Under HB 96-1017, the State Auditor is required to identify all occurrences of duplication between state and federally funded prevention and intervention programs that result in the provision of services to the same population, or that could result in such duplication. We conducted procedures to identify instances where children were, or potentially could be, receiving similar services from the Colorado Preschool Program and other state or federally funded preschool programs.

We found that there are program environments in which children participate that have multiple funding sources. These types of environments can result in children receiving services from more than one program funding source. Nothing came to our attention to indicate there was a clear duplication of services in which children were receiving services from multiple funding sources in a manner that was not allowed by provisions of the Colorado Preschool Program Act.

The Department Should Take Steps To Ensure Compliance With Legislative Intent for Use of Colorado Preschool Program Funds

One of the footnotes attached to the appropriations bill for Fiscal Year 1996 included two requirements for the use of Colorado Preschool Program funds. First, no less than 95 percent of the monies available to or through the Colorado Preschool Program shall be used for the provision of preschool services directly to children enrolled under Colorado Preschool Program. Second, no monies made available to or through the Colorado Preschool Program shall be committed, used, or diverted to any other program or use.

We found there was confusion about the intent of the footnote. The Department had not informed districts about the footnote and its requirements, and districts were not necessarily aware of the footnote or the requirements. On the basis of preliminary Fiscal Year 1996 data from the seven districts we visited, some districts would not meet requirements.

Three of the seven districts appeared unlikely to meet either of the two footnote requirements for the fiscal period. For the 95 percent requirement, in two cases the districts were spending about 65 percent and 74 percent on direct services. In the third case, the district provided data that indicated it would spend at most 92 percent of Colorado Preschool Program revenues on direct services. For the 100 percent requirement, three districts projected expenditures for the Colorado Preschool Program ranging from about 77 percent to 90 percent of Colorado Preschool Program funds.

During the 1995 Session some community providers raised concerns about districts not passing sufficient Colorado Preschool Program revenues to providers. We reviewed whether the 95 percent requirement would have been met if the intent of the footnote were interpreted as requiring districts to pay community providers 95 percent of the per pupil operating revenue for each child served by the provider.

Out of the seven districts we visited, four contract with community providers in whole or in part for Colorado Preschool Program services. We found that on the basis of Fiscal Year 1996 district budget and interim information, these districts were paying community providers between 50 percent and 88 percent of the per pupil operating revenue for each child receiving Colorado Preschool Program services through those providers.

These four districts reported that they used Colorado Preschool Program funds not paid to the community providers to finance program support services that benefit Colorado Preschool Program children such as initial eligibility screening, curriculum materials, and a preschool program coordinator who works with the providers. If the costs of these support services are included as direct services, one of the four districts was using 95 percent of the per pupil operating revenue for the direct benefit of children placed with community providers. Two of the districts were projected to be using about 74 percent and 94 percent, respectively, and in the last case the district did not provide the information needed to make this determination. If some of these support services were defined as not qualifying as direct services, the percentage of Colorado Preschool Program monies being used for direct services benefitting children would be lower.

We recommend that the Colorado Department of Education seek clarification of the Joint Budget Committee's footnote on the use of Colorado Preschool Program funds for Fiscal Year 1997, obtain statutory clarification from the General Assembly on the use of program funds for subsequent years, and establish policies and procedures to comply with fiscal requirements.

Colorado Department of Education Response:

Agree. There is definitely a need to clarify the intent of the General Assembly as to the implementation of the footnote. Amendments to place the footnote requirements in statute were defeated in the senate education committee this year. Historically the budgeting of funds received through the School Finance Act have been a matter of local control as long as program requirements are met.

Implementation: Upon obtaining clarification of the Joint Budget Committee's footnote the Department will establish procedures for assuring the monitoring of compliance. Upon obtaining statutory clarification from the General Assembly, the Department will modify, if necessary, any procedures in place in order to meet the new requirements.

The Department Should Establish Policies To Prevent Categorical Buyout Districts From Contracting With Other Districts To Receive Colorado Preschool Program Funding

The Public School Finance Act (Act) requires that all school districts operate under the same finance formula. The Act includes provisions requiring specific reductions in state aid to some school districts because of their greater financial resources relative to other districts. These districts are termed "categorical buyout" districts.

During Fiscal Years 1995 and 1996 Park County RE-2 School District, a categorical buyout district, contracted with Fremont County RE-1 School District to receive Colorado Preschool Program funding through Fremont County RE-1. Fremont County RE-1 is not a categorical buyout district and is not subject to state aid limitations established for those districts. The children served resided in Park County RE-2 and were served in that district. Park County RE-2 received approximately \$30,500 for the Colorado Preschool Program over Fiscal Years 1995 and 1996 in state funding through Fremont County RE-1. If Park County RE-2 had received Colorado Preschool Program funding directly from the Department, it would have been required under the terms of the Public School Finance Act to offset all state aid received for the Colorado Preschool Program with its own funds.

School districts are allowed certain contracting powers under statutes. However, it is questionable whether a school district should use these powers to obtain state aid to which it is not otherwise entitled under the formula established by the Public School Finance Act. **We recommend that the Colorado Department of Education seek a refund of monies provided to Park County RE-2 School District that the district was ineligible to receive under the Public School Finance Act.**

Colorado Department of Education Response:

Partially agree. The Department will, as a part of its regular audit of the student count for Park County RE-2, review the problem identified by the State Auditor and have the district return funding if over appropriated.

Implementation: Fiscal Year 1997.

The Department Should Develop a Framework for Evaluating the Colorado Preschool Program

In April 1996 the Colorado Education Goals Panel issued *Partnerships for Educating Colorado Students: Continuing the Commitment*, which establishes eight goals for education in the State. Goal Five states that education should be started early to ensure that children are ready to learn when they enter school. The Colorado Preschool Program was created by the General Assembly in recognition

of the need to adequately prepare children in the State to learn, and statutes express that early childhood failure may ultimately contribute to these at-risk children dropping out of school at an early age, failing to achieve their full potential, becoming dependent on public assistance, or becoming involved in criminal activities.

In the early years of the program, the Department obtained a grant from the U.S. Department of Education that funded a three-year study of the program during Fiscal Years 1990 through 1992. The study reported that children showed gains in language development beyond those expected from maturation alone. However, the Department cannot determine the ongoing effectiveness of the Colorado Preschool Program because there is no current short- or long-term evaluation information available on a statewide basis. The Department cannot demonstrate overall how successfully the program is meeting stated goals such as preparing children for kindergarten in the short term or providing other benefits such as lower dropout rates in the long term. As a result, we could not determine whether the Colorado Preschool Program is effectively and efficiently meeting its goals.

Evaluation information is important for reporting program effectiveness in meeting goals. It can also be used to identify problems as well as successes and to improve the operations and performance of the program. Evaluation studies can be costly, and consideration needs to be given to the type and amount of information that would be useful. It may be possible to use a more simplified approach for short-term results than was employed during the early study of the Colorado Preschool Program. For long-term results, mandatory assessment points under HB 93-1313 may offer some efficiencies for data collection. **We recommend that the Colorado Department of Education establish a framework for evaluating the Colorado Preschool Program and report on short- and long-term program results and effectiveness to the General Assembly.**

Colorado Department of Education Response:

Agree. This recommendation would definitely enhance the quality of the program services. The evaluation could document the relationship between the implementation of the quality standards and the progress made by the children. It would also assist us in reporting the long term benefits to the General Assembly. The Department has offered five options for addressing this issue. Option costs range from \$380,000 to \$75,000 depending on the depth and comprehensiveness requested.

The Department Should Improve Technical Assistance and Monitoring in Order To Improve Compliance With Statutory Requirements

The Colorado Preschool Program Act requires the Department to issue program criteria based on nationally accepted standards. In 1994 the Department issued the *Quality Standards for Early Childhood Care and Education Services* (quality standards) to be used for all preschool programs funded through the Department, including the Colorado Preschool Program.

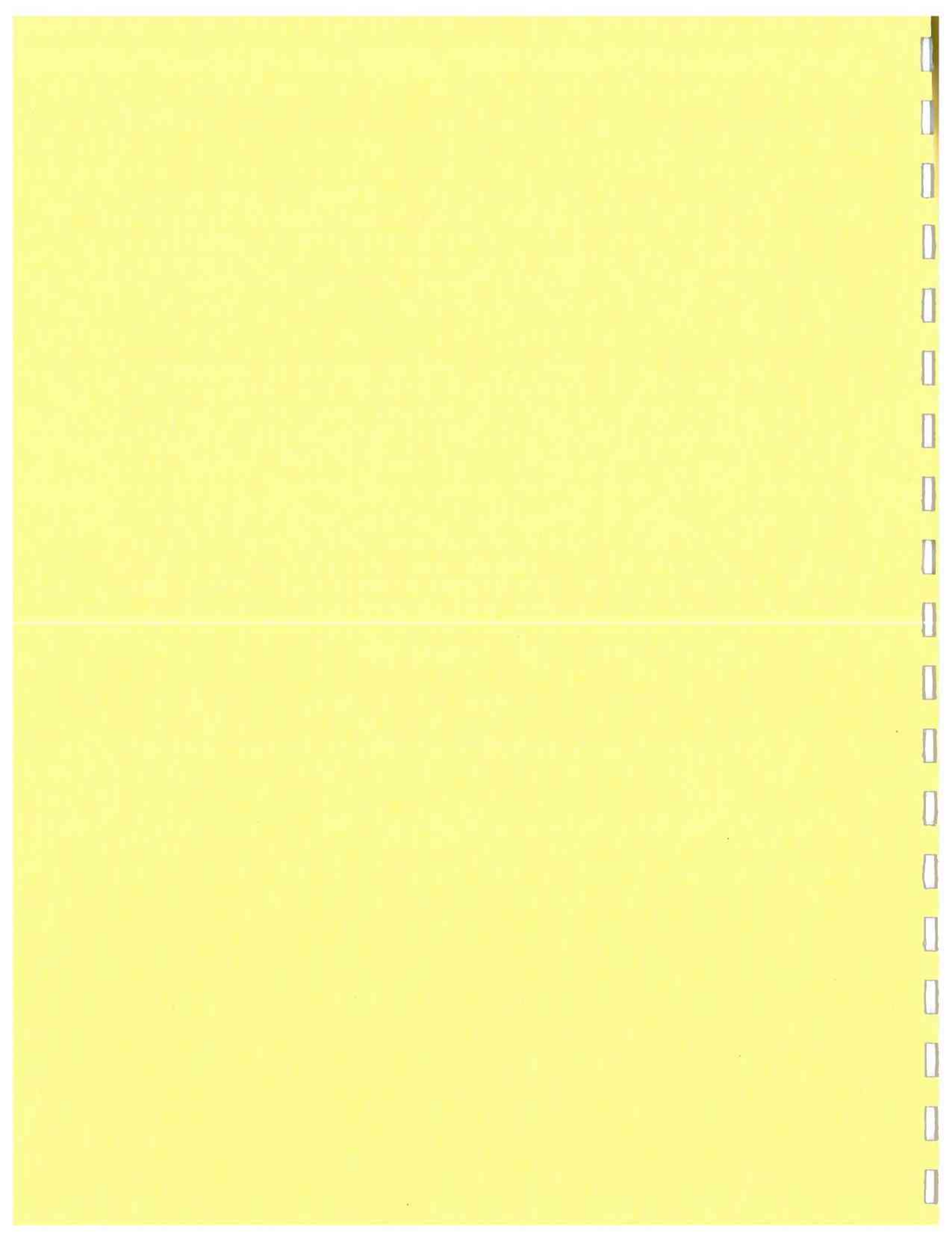
District councils are responsible for administering the Colorado Preschool Program and ensuring that the quality standards are met by providers. However, there are indications that in some cases quality standards are not being met. During a recent district monitoring visit conducted by the Department, it identified serious deficiencies in providers' knowledge of the quality standards and the quality of services throughout the district. During our seven district visits, in many cases we could not assess whether district councils were ensuring that quality standards were met by providers.

We found instances where other statutory requirements were not being met by district councils. For example, three district councils did not conduct formal local request-for-proposal processes to identify providers for new Colorado Preschool Program spaces; four lacked the required statutory composition; and one did not obtain the approval of the local board of education on decisions about program providers. In most instances, local personnel were either not aware of the requirement or did not clearly understand what the requirement was.

We recommend that the Colorado Department of Education ensure statutory requirements for the Colorado Preschool Program, including program quality standards, are met by (a) expanding technical assistance to and monitoring of local programs under the Colorado Preschool Program and (b) assisting district councils in implementing the quality standards by identifying key factors of the standards, developing priorities, and providing training.

Colorado Department of Education Response:

Agree. The audit findings support the need for training and technical assistance to local communities. The findings also support the need for monitoring the programs for compliance. Funding for a staff person, operating and travel would be required to implement this recommendation.



RECOMMENDATION LOCATOR
Agency Addressed: Colorado Department of Education

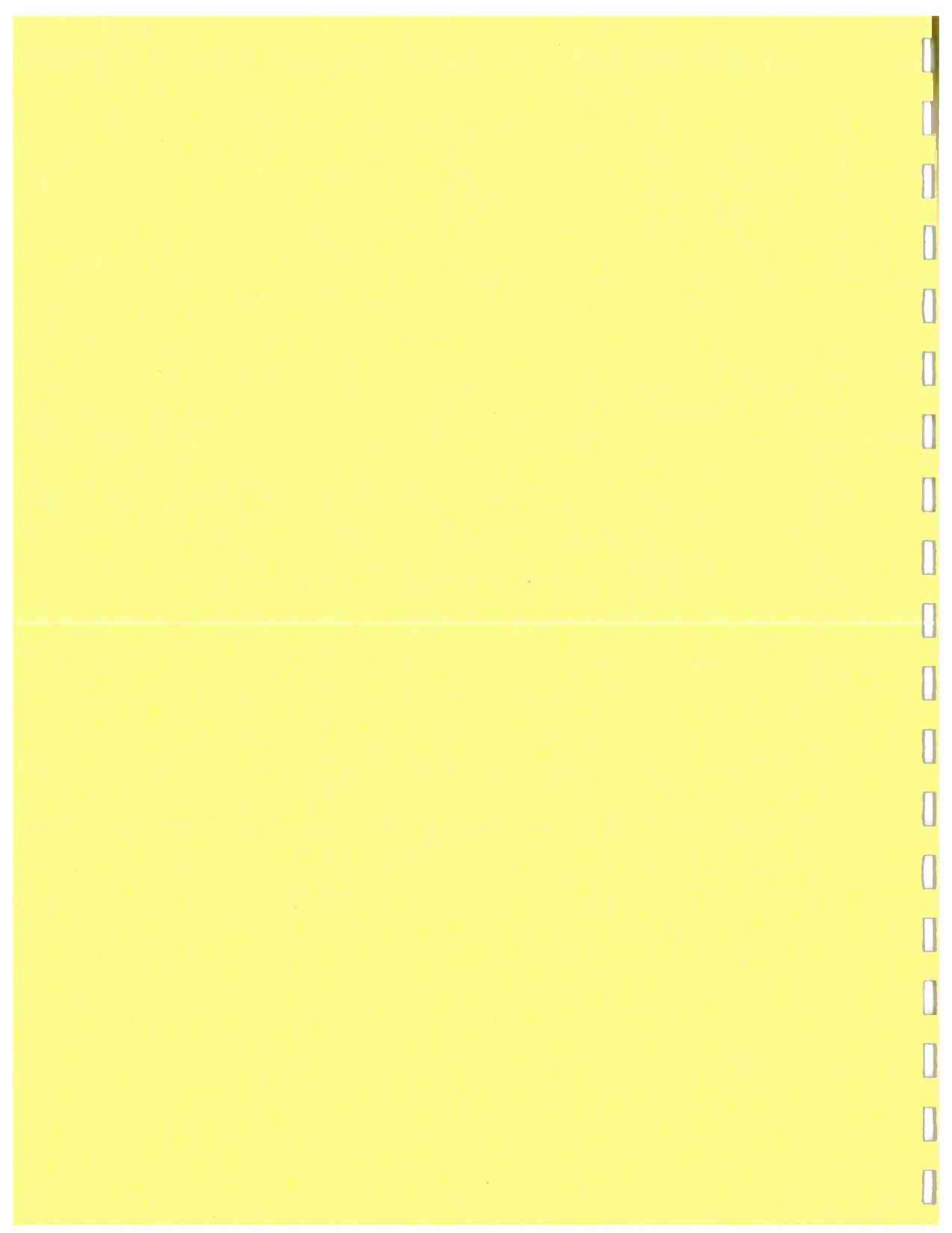
Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
1	26	The Colorado Department of Education should assess whether the Colorado Preschool Program is serving all eligible children in the target population and report to the General Assembly on proposals for program expansion. This assessment should include (a) number of at-risk four- and five-year-olds eligible for the Colorado Preschool Program and number not being served by that program or other similar programs; (b) reasons for nonparticipating districts not using the program; (c) capacity of the State to serve unmet need in the target population and estimation of associated costs; and (d) possible expansion of the program to at-risk three-year-olds, including costs.	Agree	Will seek funding for Fiscal Year 1998
2	30	The Colorado Department of Education should require districts to use screening processes or other appropriate mechanisms to ensure that children qualifying for similar district services under other programs will be served under those programs rather than under the Colorado Preschool Program.	Partially agree	Requires statutory change

RECOMMENDATION LOCATOR
Agency Addressed: Colorado Department of Education

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
3	43	The Colorado Department of Education should establish policies and procedures to comply with fiscal requirements for expenditures of Colorado Preschool Program funds by (a) seeking clarification of the Joint Budget Committee's footnote on the use of Colorado Preschool Program funds for Fiscal Year 1997, including obtaining definitions of key terms such as direct services; (b) developing and communicating procedures to districts on the requirements of the footnote; and (c) obtaining statutory clarification from the General Assembly on the use of Colorado Preschool Program funds for subsequent years and developing appropriate administrative mechanisms.	Agree	Will seek clarification during 1997 Session
4	46	The Colorado Department of Education should seek a refund of monies provided to Park County RE-2 School District for the Colorado Preschool Program in Fiscal Years 1995 and 1996 that the district was ineligible to receive under the Public School Finance Act.	Partially agree	Fiscal Year 1997
5	46	The Colorado Department of Education should develop policies and procedures to prevent instances where categorical buyout districts are being funded for the Colorado Preschool Program through other noncategorical buyout districts.	Agree	9/15/96

RECOMMENDATION LOCATOR
Agency Addressed: Colorado Department of Education

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
6	52	The Colorado Department of Education should establish a framework for evaluating the Colorado Preschool Program by (a) identifying methods for short- and long-term evaluation of the program in accordance with stated goals; (b) working with districts and district councils to implement assessment methods; (c) using evaluation results to improve program operations and performance; and (d) reporting on short- and long-term program results and effectiveness in meeting goals to the General Assembly.	Agree	Will seek funding for Fiscal Year 1998
7	56	The Colorado Department of Education should ensure statutory requirements for the Colorado Preschool Program, including program quality standards, are met by expanding technical assistance to and monitoring of local programs under the Colorado Preschool Program.	Agree	Will seek funding for Fiscal Year 1998
8	56	The Colorado Department of Education should assist district councils in implementing the quality standards by identifying key factors of the standards, developing priorities, and providing training.	Agree	Will seek funding for Fiscal Year 1998
9	58	The Colorado Department of Education should ensure that changes in the child care licensing requirements are incorporated into the <i>Quality Standards for Early Childhood Care and Education Services</i> and distributed to district councils.	Agree	9/1/96



Description

Background

The Colorado Preschool Program was established in January 1989 as a one-year program to serve four- and five-year-olds with language deficiencies who would be entering kindergarten the following year. Initially, the statutes allowed for up to 2,000 children to be served annually. Over the years, the General Assembly has raised the number of children that can participate and broadened the target population to include other at-risk factors besides language deficiencies. For Fiscal Year 1996 the statutory cap was 6,500 preschool children; this also reflects the number served that year. Current statutes permit one further increase to 8,500 children for Fiscal Year 1997.

Total expenditures for the Colorado Preschool Program since inception have exceeded \$52 million.

Since the beginning of the program in January 1989 through Fiscal Year 1996, a total of approximately \$52.1 million of state and local funds have been expended on the Colorado Preschool Program through the Public School Finance Act. Of this, about \$26.7 million or

51.2 percent is state general funds; the remaining \$25.4 million or 48.8 percent is local property tax funds. During Fiscal Year 1996 expenditures for the Colorado Preschool Program were over \$14.6 million. State funding provided over \$7.8 million, or about 53.5 percent, and local funding provided over \$6.8 million, or about 46.5 percent, for the program in that year. The Appendices contain further detail on state and local funds used for the program by district.

The Colorado Preschool Program was originally intended to supplement existing district preschool services. There are no income-related eligibility requirements, which enables the program to serve at-risk children that may not qualify for programs such as the federal Head Start program. If children qualify for other similar preschool services offered by the school districts, statutes require that children be served in those programs. These programs would include the State's special education preschool program or the federal Title I program under the Improving America's Schools Act if a district elects to use Title I funds for preschool. The following table summarizes information about children served under these programs during Fiscal Year 1996.

**Publicly Funded Preschool Services in Colorado
Fiscal Year 1996**

Program	Children Served	Number of Districts Where Program Operated
Colorado Preschool Program ¹	6,500	110
Special Education Preschool ²	4,352	142 ³
Federal Title I ²	1,872	13

Source: SAO analysis of Colorado Department of Education data.

Notes:

1. Children may participate for one year prior to kindergarten. Children served are four- and five-year-olds eligible for kindergarten in the next year.
2. Children may participate for two years prior to kindergarten. Children served are three-, four- and five-year-olds eligible for kindergarten in the next two years. For Title I, districts may elect not to serve all eligible preschool ages.
3. Under state law, all districts are required to offer special education preschool to qualifying three- and four-year-olds. Department staff report that the 34 districts not operating special education preschool did not identify any qualifying children.

The Head Start program served 8,576 three-, four-, and five-year-olds in Colorado during the 1995-1996 program year. These services were offered through 35 grantees in the State, 8 of which were local school districts.

Organization and Administration

The Colorado Preschool Program is overseen by the Colorado Department of Education's Prevention Initiatives staff. The Department is responsible for establishing criteria for district participation, eligible children, and teacher qualifications. It sets the program standards that are to be met by all local programs. It is also responsible for reviewing and evaluating districts' proposals for participation in the Colorado Preschool Program, setting the number of children to be served by each participating district, and ensuring the State's statutory cap is not exceeded. The Department is required to report on program effectiveness annually to the General Assembly.

No state funds have been specifically designated by the General Assembly for the Department's administration of the Colorado Preschool Program. The Department currently uses discretionary funds from a federal program directed toward improving elementary and secondary education to fund one program staff person who spends

approximately 40 percent of his time on the Colorado Preschool Program. Other Department staff give periodic support to the program.

Funding to participating districts for program operations is distributed by the Department as part of monthly allocations of state general funds sent to districts under the State's Public School Finance Act based on the pupil count for the program. District pupil counts are audited by the Department's Field Audit Unit. Additional information about district participation is in Chapter 1. District expenditures of Colorado Preschool Program funds are discussed in Chapter 2.

District Council Responsibilities

Each district that wishes to participate in the Colorado Preschool Program is required to form a district council. Statutes place the responsibility for operating the program at the local level with the district councils. The school district superintendent appoints the council's members that are to include representatives from community businesses; local health, social services, and job service and training organizations; parents of preschool children; publicly funded early childhood education agencies; and privately funded child care centers. The superintendent is also a member of the district council, although he or she may delegate this responsibility. District council duties include:

- Developing a plan for identifying eligible children.
- Studying and assessing the need for the program.
- Distributing requests for proposals to local publicly funded early childhood education agencies and privately funded child care centers to determine who will provide Colorado Preschool Program services and recommending qualified providers to the local school board.
- Recommending a plan of program operations to the local school board including whether the program should be provided by the district or by publicly or privately funded providers, or some combination.
- Developing a comprehensive plan for the program including meeting quality standards, staff development, family involvement and support services, and program evaluation. This plan must be submitted to the Department of Education.
- Monitoring local programs to ensure compliance with quality standards. The council is also to make recommendations where improvements are needed and report on monitoring and evaluation to the Department.

School districts are responsible for submitting proposals to the Department requesting participation in the Colorado Preschool Program. Local school boards must approve the proposals. School boards also have final responsibility for operation and maintenance of the program, as well as final approval of all district council actions. District councils' role in program monitoring and other statutory duties are discussed in Chapter 3.

District proposals for participation in the Colorado Preschool Program are reviewed by the Department as part of its statewide request-for-proposal process. This process is conducted to determine which districts will receive new program spaces provided for in statutes if there is an increase in the program cap for the next school year. The Department is responsible for evaluating the proposals, including the districts' plans for meeting program quality standards. On the basis of this evaluation, the Department selects districts for participation and assigns the number of new spaces each will receive.

Purpose of Program

The General Assembly began the Colorado Preschool Program in recognition of the need to adequately prepare children with specific at-risk factors to learn. The intent was that helping these children at an early age could result in lower dropout rates, less dependence on public assistance, and less involvement with criminal activities. The program was viewed as a way to give early assistance to children who needed help in the belief that this could have positive long-term effects for the children, local communities, and the State.

Research studies support that a quality preschool program can lead to children's greater success in school as well as producing long-term benefits for participants and society. One of these is the Perry Preschool Project study that began in 1962 and followed participants through age 27. This study compared the performance of urban at-risk children who participated in the program with similar at-risk children who did not. Among other things, the study documented that participating children had better school performance, less need for special education and social services, and lower dropout and crime rates. Evaluation of and quality standards for the Colorado Preschool Program are discussed in Chapter 3.

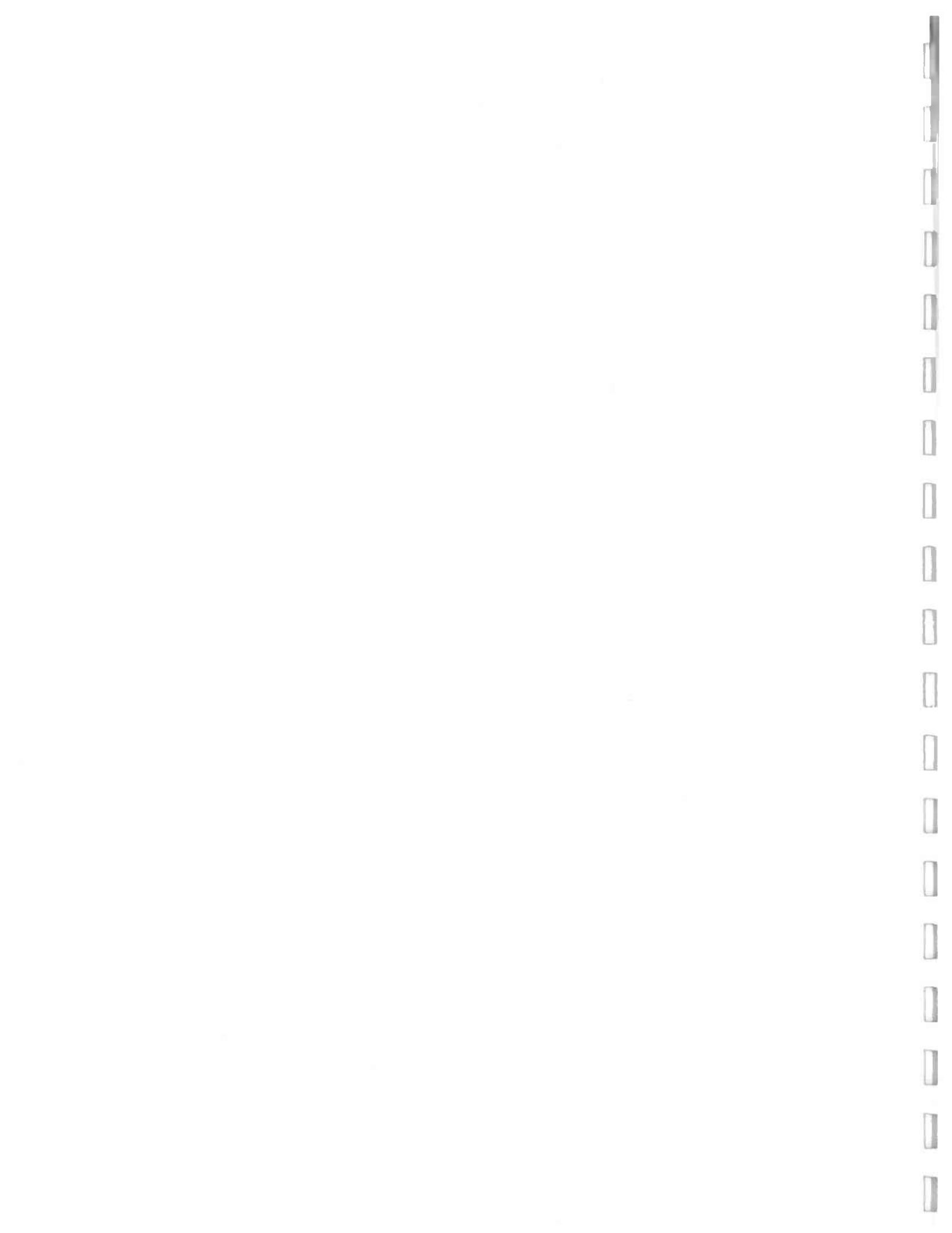
The federal government has invested in providing preschool services to at-risk children through the Head Start program, which was established in 1965. Many states have also funded their own preschool programs: the number of state-funded preschool programs tripled between 1979 and 1992. As of 1995, over 30 states were financing some type of initiative aimed at preschool children.

Audit Methodology

We interviewed state-level personnel and reviewed documentation about the Colorado Preschool Program and other early childhood education materials. We conducted site visits to seven school districts that were participating in the program in Fiscal Year 1996. These districts were Denver 1 (Denver), Jefferson R-1 (Golden), Garfield RE-1 (Glenwood Springs), Mesa 50 (Collbran), Mesa 51 (Grand Junction), Morgan RE-3 (Fort Morgan), and Logan RE-1 (Sterling). The districts selected represent almost 34 percent of all preschool children served in Fiscal Year 1996 under the Colorado Preschool Program. The sample also represents a combination of districts of different sizes and geographic locations. In each district we interviewed district preschool personnel, a representative from the district council, and financial personnel.

We conducted our audit to meet the requirements established by HB 96-1017 for audits of state and/or federally funded prevention and intervention programs. This statute requires the State Auditor to conduct programmatic reviews and evaluations of these programs to determine whether the programs are effectively and efficiently meeting their stated goals. The statute also requires identification of all occurrences of duplication between prevention and intervention programs that result in provisions of services to the same population, or could result in such duplication.

We did not audit the full-day kindergarten pilot program that is under the Colorado Preschool Program Act. This program was first operated in Fiscal Year 1996 and is directed toward the same type of at-risk children as the preschool program. Legislation allows for 150 children to participate in Fiscal Year 1996 and 500 children in Fiscal Year 1997.



Assessment of Program Need

Chapter 1

Background

The Colorado Preschool Program was first established as a pilot program for 2,000 children in January 1989. The program was originally directed toward four- and five-year-olds who were in need of language development and would be entering kindergarten the next year. In 1992 the General Assembly broadened the at-risk target population to preschool children who lack overall learning readiness due to significant family risk factors, who are in need of language development, or who are receiving services from the state Department of Social Services (now the Department of Human Services) as neglected or dependent children and who would benefit from participation in the state preschool program.

Within the overall legislative eligibility requirements, statutes assign responsibility to the Department for establishing criteria for school districts to use in determining which children shall be eligible for Colorado Preschool Program services. Statutes state that the Department may establish criteria that consider such factors as educational background of parents and the child's self-confidence and ability to take part in social activities. In addition, district councils are permitted to establish additional eligibility criteria specific to the local community.

The Department's regulations include the overall eligibility requirements from statutes and define examples of significant family risk factors to include:

- Abusive adult figure in the home.
- Teenage parent.
- Low income.
- Educational level of parents or parental figure.
- Need for language development.
- Unemployment in the family.
- Frequent moves.
- Homelessness.
- Family history of learning problems.
- Low self-esteem.
- Poor social skills.
- Drug or alcohol abuse in the family.

Department regulations also state that the local school district is responsible for ensuring that the children counted for funding through the Colorado Preschool Program are eligible for the program.

In addition to broadening the definition of the target population for the Colorado Preschool Program, the General Assembly has also raised the participation cap several times over the years from the initial 2,000 to 6,500 for Fiscal Year 1996. In total, almost 25,860 children have participated in the program since its inception. The following table shows the statutory caps and numbers of children served:

**Participation in the Colorado Preschool Program
Fiscal Years 1989 Through 1996**

Fiscal Year	Statutory Participant Cap	Number of Participants ¹
1989	2,000	1,933
1990	2,000	2,000
1991	2,750	2,739
1992	2,750	2,718
1993	2,750	2,740
1994	2,750	2,711
1995	4,500	4,514 ²
1996	6,500 ³	6,500 ³
Totals		25,855

Source: SAO analysis of Colorado Department of Education data.

Notes:

1. Department program staff report that districts have been allocated the maximum number of spaces available for the Colorado Preschool Program under statute each year. Adjustments to allocations can occur due to subsequent audits of district pupil counts conducted by the Department's Field Audits Unit. These adjustments can result in decreases in spaces if the actual number of participants served is less than reported by the district. According to staff, these adjustments are the reason the number of participants is less than the maximum allowed under statute for some years.

2. Participation exceeded the statutory cap of 4,500 for Fiscal Year 1995 by 14 students. This was the result of the averaging of district enrollments over two years in cases of declining district enrollments. The Department has since excluded the Colorado Preschool Program from averaging calculations for districts with declining enrollments in order to prevent the statutory cap from being exceeded.

3. For Fiscal Year 1996, statutes included provisions for a full-day kindergarten program for at-risk children which was permitted an additional 150 spaces above the 6,500 shown here.

Current statutes allow one further increase to 8,500 children in Fiscal Year 1997.

The program has also expanded from 33 participating school districts in 1989 to 110 districts in Fiscal Year 1996. Participating districts represent 62.5 percent of the State's 176 school districts and 90.2 percent of the State's kindergarten through twelfth grade students for Fiscal Year 1996.

In addition to the General Assembly's establishment of the Colorado Preschool Program, there have been other expressions of support at the state level for preschool programs for children with special needs or at-risk characteristics. In 1988 the State Board of Education, which oversees the Department of Education and establishes education policies, adopted goals for Colorado education. One set of goals was directed toward improving the State's public school graduation rate. Within this set of goals, one of the priority objectives was that all Colorado at-risk preschool children were to be enrolled in quality early childhood learning programs by July 1, 1992. These goals were effective through 1995. In April 1996 the Colorado Education Goals Panel issued *Partnerships for Educating Colorado Students: Continuing the Commitment*. The Panel members were appointed by the Governor and the Department of Education's Commissioner. This document establishes eight goals for education in the State, one of which is that education should be started early to ensure that children are ready to learn when they enter school. The Colorado Preschool Program is one means of preparing at-risk preschool children for kindergarten.

Audit Findings

We reviewed the Department's process for determining need for the Colorado Preschool Program and ensuring that children who qualify for similar district services under other programs are served in those programs. We determined that the Department needs to:

- Assess if the target population under the current provisions of the Colorado Preschool Program Act is being served, or if an unmet need exists. This assessment should determine the capacity of the State to serve unmet need and associated costs.
- Require districts to have mechanisms in place that ensure children are served in other similar district programs if the children are eligible for those programs.

In accordance with HB 96-1017, we performed procedures to determine whether there were instances of duplication between programs that resulted in the provision

of state and/or federally funded preschool services to the same children in similar programs or that could result in such instances.

Information Is Required To Determine Whether All Target Population Is Being Served

Since the fall of 1989 the Department has not conducted a systematic analysis to find out if all of the children in the target population for the Colorado Preschool Program are being served, or if an unmet need for the program still exists. In 1989 the Department conducted a survey of school districts to obtain information on the number of children that met the criteria for the Colorado Preschool Program and were not eligible for services under other similar district programs. The survey was conducted in response to a request for information from the General Assembly. From survey responses the Department estimated that approximately 10,500 children in the State qualified for Colorado Preschool Program services at that time.

Statewide Information on Need Is Not Available

Since the survey, the Department has relied on school districts and district councils to identify local needs for the Colorado Preschool Program and to request appropriate spaces and funding. All districts are notified each spring by the Department about the State's request-for-proposal process, which districts must use to apply for Colorado Preschool Program allocations. However, the Department is unable to use information from district responses to determine remaining unmet need for the program.

Although the proposal document requests some information about unmet need, instructions do not clearly state that the unmet need to be reported is for children eligible for the Colorado Preschool Program. Also, some districts do not respond to the request for proposal because they are not requesting spaces, so the Department does not have information about program need in these districts.

Districts Do Not Request Sufficient Spaces To Serve Unmet Need

Among participating districts, we found that districts were not requesting sufficient spaces to serve all of the unmet need they had identified on their applications for program funding. For the sample of districts tested, we found the districts had identified an unmet need of about 2,900 children by using a variety of methods; however, they only requested new spaces for slightly over 470 children, or about 2,430 spaces less than identified need.

Part of the explanation for the large disparity between requested spaces and identified need may be due to districts in some cases including at-risk children eligible for other programs in unmet need. Also, districts may restrict requests because they are aware that additional funding and spaces are limited. The Department informs them of the total new Colorado Preschool Program spaces for the State, if any, each year during the State's request-for-proposal process. We found other factors can also account for districts requesting fewer spaces than required to meet their needs.

Some Districts Do Not Participate in the Program

As of Fiscal Year 1996 there were 66 districts out of 176, or 37.5 percent, that did not participate in the Colorado Preschool Program. These 66 districts represent about 4,340, or 8.7 percent, of the four- and five-year-olds that will be eligible for kindergarten in Fiscal Year 1997.

The Department has not determined why some districts are not requesting allocations for the Colorado Preschool Program. Statutes do not require districts to participate. The Department reports it has had sufficient requests to fill the statutory cap. It has also never turned a district down for Colorado Preschool Program funding; it has always given districts at least part of what they have requested.

Statutes express the need to use preschool programs to prepare children adequately for kindergarten in school districts with high dropout rates and poor performance in kindergarten and primary grades. We found that 6 out of 31 districts with dropout rates above the State's 1994-1995 average were not participating in the program in Fiscal Year 1996.

In analyzing the characteristics of participating and nonparticipating districts, we found nonparticipating districts tend to have the following characteristics:

- Smaller kindergarten through twelfth grade enrollments.
- Higher per pupil costs as calculated under the State's equalization formula for student funding under the Public School Finance Act.
- Higher share of state funding required to meet district per pupil operating costs.

We also found that 31 of the 66 nonparticipating districts, or about 47 percent, had relatively high "risk factors" under the Public School Finance Act funding formula. The Act allows school districts additional funding based on a risk factor that is determined by the number of children in grades one through eight that are eligible for free lunch under the federal National School Lunch Act. The following table summarizes these results.

**Summary of District Risk Factors Under Public School Finance Act and
Participation in the Colorado Preschool Program
Fiscal Year 1996**

District Risk Factors	Districts Participating in Program	Percent of Total Participating Districts	Districts Not Participating in Program	Percent of Total Non- participating Districts
Districts with lowest risk factors ¹	45	40.9%	21	31.8%
Districts with moderately low risk factors ²	35	31.8%	14	21.2%
Districts with moderately high risk factors ³	28	25.5%	20	30.3%
Districts with high risk factors ⁴	2	1.8%	11	16.7%
Totals	110	100.0%	66	100.0%

Source: SAO analysis of Colorado Department of Education data.

Notes: State average risk factor was .1369.

1. Districts with lowest risk factor of .1100.
2. Districts with risk factors greater than .1100, less than or equal to .1369.
3. Districts with risk factors greater than .1369, less than .2031.
4. Districts with risk factors greater than .2031.

The definition of "at-risk" in the Public School Finance Act is based on an economic factor, while the definition of "at-risk" under the Colorado Preschool Program Act is based on such factors as lack of overall learning readiness, language deficiencies, and eligibility for certain social services. Poverty has been identified as a strong element in affecting children's ability to perform in school because of the relative lack of resources it represents. Therefore, districts that have high risk factors for early grade school children under the Public School Finance Act may also be likely to have preschool children who would qualify for services under the Colorado Preschool Program.

We did not determine why districts that appear to have children in need of these services are not requesting to participate in the program. Since approximately half of Colorado Preschool Program monies come from local funds, districts may consider that their resources cannot meet this need. Alternatively, their at-risk preschool children may be served in other ways. In any case, the statutory cap for

the Colorado Preschool Program may not be sufficient to serve the present target population across the State.

System Capacity May Limit Service to Some Children

As discussed earlier, we found that districts were not requesting sufficient spaces to serve all of their identified unmet need. Districts reported several constraints to expanding the program further. Out of seven districts, six mentioned lack of adequate facilities in which to hold the program, although some reported they were taking steps that they believed would increase available space. Four mentioned a lack of community providers that could offer the type of program required under the Department's quality standards. Community providers refers to all publicly funded early childhood education agencies and privately funded child care centers.

One important aspect of identifying community providers that can serve children is the local request-for-proposal process. District councils are required by statute to notify all community providers about the opportunity to apply for funding to serve Colorado Preschool Program children at their sites. We found that some district councils were not conducting local request-for-proposal processes. As a result, some district councils may not be aware of additional community providers that are available to serve Colorado Preschool Program children. The local request-for-proposal process is discussed in Chapter 3. Capacity problems such as lack of facilities and qualified providers may also play a role in whether districts participate in the program altogether.

Information About Remaining Unmet Need and Barriers to Service Is Required for Decision Making

Without adequate information about possible unmet need for the Colorado Preschool Program, the Department is unable to determine if there are remaining children in the target group that need assistance to become sufficiently prepared for kindergarten. If there is remaining need in the target group, information is required to determine the cost and type of resources that could address this need.

Proposals have been made to expand the Colorado Preschool Program to at-risk three-year-olds.

In addition, during the 1995 Session legislation was introduced to expand the target population for the Colorado Preschool Program to at-risk three-year-olds. This bill was not passed. However, as mentioned, the Department has not done a systematic analysis on whether at-

risk four- and five-year-olds have been served in the State. Performing this analysis

could also give information about factors that may influence efforts to expand the program to three-year-olds. For example, if there are capacity problems such as lack of facilities and lack of qualified providers for serving four- and five-year-olds, there may be similar constraints that would affect the State's ability to serve three-year-olds.

The General Assembly will need to decide if any additional resources should go to serving unmet need among the present target population or toward at-risk three-year-olds, or both. Under present statutes, the Colorado Preschool Program is a one-year program. Serving three-year-olds will mean that the program will become a two-year program for that group. This represents a commitment to spend twice as much per child as under the present one-year program; for Fiscal Year 1996 the statewide average cost per child under the Colorado Preschool Program was about \$2,157. If not all at-risk children can be served, it may be necessary to develop a system to prioritize which children receive services.

Department Should Assess Whether the Colorado Preschool Program Is Meeting Need Among Target Population

The State Board of Education and the Colorado Education Goals Panel have both indicated the need to enroll at-risk preschool children in quality programs. Studies have shown that these programs can be a good investment in terms of improving children's performance and decreasing crime and welfare costs for individuals and society. The Department has supported efforts to expand the Colorado Preschool Program and believes that there is need for the Colorado Preschool Program among three-year-olds.

The Department should gather information about preschool needs and the State's service capacity to gain a better understanding of what types of needs exist and report the information to the General Assembly. This report should also address the impact of expanding the Colorado Preschool Program to three-year-olds. The information can assist the General Assembly in making decisions about expansion of the Colorado Preschool Program and would enable the Department to determine if the 1988 State Board of Education objective to enroll all at-risk preschool children in quality programs has been met.

Recommendation No. 1:

The Colorado Department of Education should assess whether the Colorado Preschool Program is serving all eligible children in the target population and report

to the General Assembly on proposals for program expansion. This assessment should include:

- a. Number of at-risk four- and five-year-olds eligible for the Colorado Preschool Program and number not being served by that program or other similar programs.
- b. Reasons for nonparticipating districts not using the program.
- c. Capacity of the State to serve unmet need in the target population and estimation of associated costs.
- d. Possible expansion of the program to at-risk three-year-olds, including costs.

Colorado Department of Education Response:

Agree. An accurate assessment would be useful in determining the unmet need for the Colorado Preschool Program target population. Such a study would require staff and operating funds in order to assure an accurate report. It would also require time and cooperation from all Colorado's communities.

Currently the Colorado Preschool Program funds are awarded based upon a community submitting a needs assessment that justifies the number of children it is seeking to serve. Expanding this requirement to include the unmet need would require local staff time and resources as well. It is also important to note that the target population now includes children who are age five and eligible for kindergarten. Currently only 135 children meeting this criteria are being served. It would not be difficult to determine that the unmet need of this population is well above the current allocation.

Cost: Department costs would be .5 FTE, operating and travel-\$33,000. Estimated cost to communities-\$25,000.

Implementation: The Department has requested administrative funding for this program for the last two years and it has not been approved. Upon agreement from the General Assembly that this information is desired and resources for implementation are made available, this initiative could begin during the Fall of 1997.

Increased Coordination With Other District Preschool Programs Is Needed

Another factor that affects the number of children served by the Colorado Preschool Program is how well preschool program needs are coordinated. By statute, children are not eligible for the program if they qualify for similar district services under other programs. Similar district services would include the State's special education preschool program or the federal Title I program for the educationally deprived under the Improving America's Schools Act if a district chooses to use Title I funds for four- and five-year-old preschoolers. Some Colorado Preschool Program children may also be eligible for services from Head Start if income requirements are met. However, Head Start is not considered a "district service" under the statutes because it is not offered through the school district system in most cases.

Some Special Education Children Have Mistakenly Been Placed in the Colorado Preschool Program

There are some instances in which special education children have mistakenly been placed in the Colorado Preschool Program. During our site visits we found one district that had incorrectly placed 11 special education-qualified children in its Colorado Preschool Program; the total size of its Colorado Preschool Program was 35 children. Also, the Department identified an instance of special education-eligible children being placed in the Colorado Preschool Program in one of its three recent district monitoring visits. In both cases the problems may have occurred because the screening processes for special education and the Colorado Preschool Program were not combined or adequately coordinated. In other words, the initial screening process for the programs may not have been as effective as it could be in ensuring that children with special education needs are identified and correctly placed at the beginning of the school year.

Screening Processes May Be Deficient

Some districts are not able to ensure that children eligible for other similar district services are served in those programs and not in the Colorado Preschool Program. Districts use initial screening processes to determine which programs children are eligible for and where they should be served. We found that out of seven districts, six conducted separate screening processes for the Colorado Preschool Program and special education preschool. Only one district had formally combined the screening process for the two programs. Of the six with separate processes, districts reported that they had varying degrees of coordination with the special education screening process.

In some cases districts also reported that staff performing the screening process for the Colorado Preschool Program had limited training in special education. Lack of training in special education could affect a staff person's ability to distinguish between a Colorado Preschool Program- and special education-eligible child. This could contribute to instances in which a special education child is placed in the Colorado Preschool Program. In the case of the district with 11 special education children enrolled in the Colorado Preschool Program, district staff realized the children had been diagnosed incorrectly after they had been in the Colorado Preschool Program for several months.

Correctly placing children can ensure appropriate services are given and maximize district funding for programs.

In addition to meeting statutory requirements, correctly placing children in programs is important for other reasons. First, if a child is placed in the wrong program, the child may not receive the amount and nature of services appropriate for his or her needs. Second, if a child

qualifying for special education is placed in the Colorado Preschool Program, the district is not maximizing its use of available funds. Districts are required to serve special education preschool children and can receive additional funding for that child under the State's special education preschool program, which is not capped. The Colorado Preschool Program is capped at the district and state level, and districts must limit the number of children served or fund children served in excess of the cap from local resources. If a special education-eligible child is placed in the Colorado Preschool Program, this eliminates using the space for a Colorado Preschool Program-eligible child.

For example, in the case of the district discussed earlier with 11 special education-qualified children in its Colorado Preschool Program, it could have served these children through special education preschool and received additional special education funds if the children had been counted in that program on the October 1 pupil count date at the start of the school year. Funding to districts for the entire school year is based on this pupil count information. If the children had been placed in special education by the October 1 pupil count date, this would have enabled the district to serve 11 other children in the Colorado Preschool Program from its waiting list. This district conducts separate screening processes for special education and the Colorado Preschool Program, which could have contributed to the misdiagnosis of the children's needs.

Department Supports Combined Screening Process for Programs

The Department has issued guidelines for combined screening processes among programs for identifying the appropriate programs for children and also to meet the statutory requirement to serve children in programs other than the Colorado Preschool Program when appropriate. It also believes that combined screening for more than one program is a more efficient use of district funds, since districts would not be funding and operating several separate screening functions. The Department reports that all districts are required to conduct a screening process for special education preschool under federal regulations. Therefore, the Department indicates it is a good use of funds to integrate Colorado Preschool Program screening into the special education screening process.

Another reason why combined screening for the Colorado Preschool Program and special education is advantageous is that it can be difficult to accurately distinguish between a Colorado Preschool Program- and special education-eligible child. Special education personnel are trained to recognize children with these needs and can assist in accurate identification.

Department and Districts Must Ensure Children Eligible for Other District Services Are Not Served in the Colorado Preschool Program

Although the Department supports the use of combined screening processes for preschool programs, it has not mandated the use of combined screening because it believes it lacks the authority to impose this on the districts. However, statutes require that children be served in other programs if they qualify for similar district services under those programs. The combined screening process is one way that the Department and districts could meet this requirement. Another approach could be to require special education screening prior to Colorado Preschool Program screening. The Department should consider the methods available to meet this statutory requirement and implement appropriate measures with the districts to achieve it.

Recommendation No. 2:

The Colorado Department of Education should require districts to use screening processes or other appropriate mechanisms to ensure that children qualifying for similar district services under other programs will be served under those programs rather than under the Colorado Preschool Program.

Colorado Department of Education Response:

Partially agree. It is the responsibility of local school districts to identify children appropriately and to serve them with funds allocated for that population. How a district chooses to accomplish this has historically been a matter of local control. The Department has encouraged through monitoring feedback and technical assistance ways that districts can efficiently utilize funds for assuring appropriate placement. It is not clear that the Department has the authority to mandate screening procedures.

Implementation: Upon changes in the statute that authorizes the Department to mandate screening procedures at the local level.

Review for Possible Duplication of Program Services

Under HB 96-1017, the State Auditor is required to identify all occurrences of duplication between state and federally funded prevention and intervention programs that result in the provision of services to the same population or that could result in such duplication. As part of our audit we conducted procedures to identify instances where children were, or potentially could be, receiving similar services from the Colorado Preschool Program and other state or federally funded preschool programs. The discussion in the previous section about adequate screening processes for programs with similar preschool services addresses whether children are placed in appropriate programs. The following discussion addresses whether children are being served in more than one preschool program.

As mentioned earlier, the district preschool programs identified during our audit as providing similar services include the Colorado Preschool Program, special education preschool, and the federal Title I program if a district chooses to use Title I funds for preschool. These three programs, as well as the Head Start program, represent situations in which children could potentially receive services under several similar state or federally funded programs.

Department has controls to ensure children are not served in both the Colorado Preschool Program and special education preschool.

Special education preschool served 4,352 three-, four-, and five-year-olds during Fiscal Year 1996, while the Colorado Preschool Program served 6,500 four- and five-year-olds during that time period. The Department has established adequate

controls to ensure that children are not served in both the State's special education preschool program and the Colorado Preschool Program. During pupil count audits at districts, the Department's Field Audits Unit performs procedures to ensure that children are only counted for one of these two programs and therefore are only funded under one program. The Department has also issued regulations stating that children qualifying for similar services under other programs, including special education, are only eligible for those services. This is similar to the statutory language for the Colorado Preschool Program. During our site visits we found that district personnel were aware of this requirement and took steps to ensure children were not enrolled in both special education and the Colorado Preschool Program.

Under the federal Title I program, 13 districts served a total of 1,872 children in preschool during Fiscal Year 1996. One district that had 150 children in its Title I program served only three-year-olds, or children that would not have qualified for the Colorado Preschool Program because of their age. Another district serving 137 four- and five-year-olds in Title I preschool did not participate in the Colorado Preschool Program, so there was not an opportunity for children to be served in both programs. The remaining 11 districts participated in the Colorado Preschool Program and served 1,585 four- and five-year-olds, or the age group that qualifies for the Colorado Preschool Program, and participated in the Colorado Preschool Program in Fiscal Year 1996.

We did not identify instances where children were receiving services from both Title I and the Colorado Preschool Program in our district visits. One of the districts we visited used Title I funds to serve 1,240 four- and five-year-old preschool children. The district reported that it cross-checked program enrollments to ensure that children were not enrolled in both Title I and the Colorado Preschool Program. This district represents over 78 percent of the 1,585 four- and five-year-olds in Title I during Fiscal Year 1996. We did not contact the other ten districts that serve the remaining 345 four- and five-year-olds for Title I to determine if they had procedures to ensure children were not enrolled in both programs.

Colorado Preschool Program Statutes Encourage the Use of Alternative Funding Sources To Provide Extended Day Services

There are other situations in which children in the Colorado Preschool Program potentially could receive services from other state or federally funded prevention and intervention programs. Head Start and the Colorado Preschool Program both serve children that will enter kindergarten the following year, although Head Start also serves three-year-olds. The U.S. Department of Health and Human Services reports that 8,576 three-, four-, and five-year-olds were served in Head Start programs in Colorado during the 1995-1996 program year. The federal Head Start program is not considered a district service by the Department under the Colorado Preschool

Program Act when determining eligibility for the Colorado Preschool Program. This is because funding for Head Start is distributed to qualifying grantees directly from the U.S. Department of Human Services, rather than through the State's Department of Education and the school districts.

Another type of situation in which the same population may benefit from several publicly funded prevention and intervention programs is child care. Children in the Colorado Preschool Program may also be eligible for federally subsidized child care under such programs as the Child Care Development Block Grant, and therefore the same child may be served by both programs.

The Colorado Preschool Program Act contains several references to extended day services for children enrolled in the program. Extended day services are defined to include services that could be provided by the district, privately funded child care centers, and publicly funded early childhood education agencies. Head Start is mentioned as one possible source of these services. District councils are required to develop and recommend a plan for extended day services for participating children and their families to the local school board if a need for such services is identified. Information about provisions for extended day services must be submitted to the Department of Education as part of each district's application for Colorado Preschool Program funding. The Department is also directed by statute to give priority to district proposals with certain characteristics, one of which is district efforts to collaborate with privately funded child care centers and publicly funded early childhood education agencies. These provisions of the Colorado Preschool Program Act would appear to allow children to be served in both the Colorado Preschool Program and Head Start, or a child care center that receives federal funds as reimbursement for services.

This indicates that there are program environments in which children participate that have multiple funding sources. These types of environments can result in children receiving services from more than one program funding source. Our audit was focused on the Colorado Preschool Program, and we reviewed the relationships between that program and other state and federally funded preschool programs. We did not expand our efforts to include consideration of all possible instances of duplication of services among other prevention and intervention programs in which children in the Colorado Preschool Program might participate. However, nothing came to our attention to indicate there was a clear duplication of services in which children were inappropriately receiving services from multiple funding sources. The reporting mechanisms contained in HB 96-1017 should allow us to identify and evaluate further potential areas of duplication.



Use of Colorado Preschool Program Funds

Chapter 2

Background

The Colorado Preschool Program is funded through the State's Public School Finance Act (Act), which was established to provide equitable funding across all school districts for public education in the State. The Act defines the funding formula used for identifying the amount each school district is to spend on each student for the school year. This amount is referred to as the "per pupil operating revenue." Districts have different amounts of required per pupil operating revenue under the Act because the funding formula reflects cost factors unique to each district such as cost of living and ability to spread overhead expenses. The Act also outlines the process for determining how much the State and local school districts will each contribute in general funds to generate the required per pupil operating revenue needed for the students in each district. The proportion of state aid to each district varies as well, based on the local district's ability to raise revenues from its tax base.

State monies for the Colorado Preschool Program are distributed as part of district funding under the Public School Finance Act.

The Colorado Department of Education distributes monthly payments of state funds to school districts for kindergarten through twelfth grade operations based on each district's per pupil operating revenue, the required state share, and the annual student count for those grades under the terms of the funding formula in the Public

School Finance Act. Districts participating in the Colorado Preschool Program also receive funds for this program as part of their monthly distribution. Each Colorado Preschool Program child is counted as equivalent to half of a full-time student since the program is part-time. Therefore, the distribution for the Colorado Preschool Program is based on .5 per pupil operating revenue for each Colorado Preschool Program child. The Department does not separately identify Colorado Preschool Program funds included in monthly distributions sent to districts.

Children can receive Colorado Preschool Program services from district-run programs or from publicly funded early childhood education agencies or privately funded child care centers. Publicly and privately funded providers are referred to collectively as community providers. The Colorado Preschool Program Act requires each district council to conduct a local request-for-proposal process with all community providers in the district in order to determine who will provide Colorado Preschool Program services. On the basis of responses to the local request-for-proposal process, the district council makes recommendations to the local school board for providers who can offer Colorado Preschool Program services and meet the Department's quality standards for the program. The school board makes the final decision about who the service providers will be for the program. Services may be provided through the school districts, community providers, or a combination of both.

If the school board elects to contract some or all services to publicly and/or privately funded community providers a contract is negotiated between the school district and each designated community provider. The school district is responsible for making payments to community providers based on the rate per child that is established in the contract. The Colorado Department of Education is not involved in selecting providers or setting rates.

The Colorado Preschool Program Act requires programs to meet quality standards, but it does not set requirements for how Colorado Preschool Program funds are to be spent. During the 1995 Session the Joint Budget Committee added a footnote to the appropriations bill for Fiscal Year 1996 that required that 95 percent of Colorado Preschool Program monies to be used for the direct benefit of the children served and that all Colorado Preschool Program monies be used for that program and not for another purpose. This footnote is repeated in the appropriations bill for Fiscal Year 1997.

Audit Findings

We reviewed the Department's procedures for implementing the fiscal requirements in the footnote on Colorado Preschool Program expenditures to the Fiscal Year 1996 appropriations bill. We visited seven school districts participating in the Colorado Preschool Program, and we discussed the requirements with local personnel and reviewed district information about how Colorado Preschool Program funds were being used. Since the footnote is effective for Fiscal Year 1996 and this period was not complete at the time of our audit, we could not reach final conclusions on the districts' compliance with the footnote requirements. However, we were able, in most cases, to use preliminary Fiscal Year 1996 data to find out if districts were likely to meet the fiscal requirements.

We found there was confusion about the intent of the footnote. The Department had not informed districts about the footnote and its requirements, and districts were not necessarily aware of the footnote or the requirements. On the basis of preliminary Fiscal Year 1996 data from the districts we visited, three districts appeared unlikely to meet the requirements for the fiscal period.

We also reviewed a survey conducted in the spring of 1995 by the Department of Education and the Colorado Association of School Executives in response to questions from the General Assembly about the use of the Colorado Preschool Program funds.

Our review of the survey and of compliance with the footnote requirements indicates that there are no clear definitions for administrative or other types of costs of the Colorado Preschool Program, and problems have occurred in attempts to collect and report administrative cost information.

Administrative Costs Reported to the General Assembly Are Not Accurate

The Department reported that during hearings conducted by the House Education Committee as part of the 1995 Session, some community providers expressed that the school districts were not passing through to them a sufficient share of the per pupil operating revenue for children served at those sites. The providers questioned whether excessive Colorado Preschool Program funds were being used for district administrative costs rather for the direct benefit of children in the program.

As a result of these discussions, the House Education Committee asked the Department of Education to obtain information about the use of Colorado Preschool Program funds. In the spring of 1995 the Department, assisted by the Colorado Association of School Executives (Association), conducted a written survey of all districts participating in the program for Fiscal Year 1995. In June 1995 the Department and Association sent a report to the House Education Committee stating that the survey indicated 1.73 percent of total Colorado Preschool Program funds were used for administration across all participating districts during Fiscal Year 1995.

We reviewed the data collected from districts for the survey and the calculations used to determine the reported administrative costs. The Department and the Association indicated that they had received responses from 65 out of the 85 districts that participated in the Colorado Preschool Program in Fiscal Year 1995. The Department was able to locate and provide us with survey responses from 59 of the 65 responding districts. We found several problems that we believe indicate the 1.73 percent administrative cost figure is not reliable.

Definitions were not provided to districts for the types of costs being researched.

First, the purpose and methodology of the survey were unclear and inconsistent. The survey stated that the purpose was to obtain information about administrative costs of the Colorado Preschool Program.

However, the survey did not define administrative costs or request that information. Instead it asked the districts to detail the amount of Colorado Preschool Program funds paid to community providers and spent on other direct services for children served by those providers. The survey did not provide a definition of services that would qualify as other direct services, as distinct from administrative costs. To determine administrative costs, the Department and Association assumed that funds not used either for community providers or for other direct services benefitting children at those sites were administrative costs for the Colorado Preschool Program.

Second, for districts that did not contract with any community providers and offered their own Colorado Preschool Program services, the Department and Association assumed that no Colorado Preschool Program funds were being used for administrative costs. This assumption resulted in the Department and Association listing 30 districts that did not contract for Colorado Preschool Program services as having "zero" for administrative costs. This assumption had a significant effect on overall calculations because these 30 districts represent over 46 percent of the 65 participating districts that responded to the survey. For the remaining 20 participating districts that did not respond to the survey, no information about their administrative costs was included.

Thirty districts that did not contract were assumed not to be using Colorado Preschool Program funds for administrative costs, which had a significant impact on the overall calculation of administrative costs.

On the basis of the results of our seven district visits, we found the Department and Association's assumption that noncontracting districts did not spend Colorado Preschool Program funds on administration is inaccurate. Two of the three districts we visited did not contract with community providers but were spending Colorado Preschool Program funds on administrative costs. In Fiscal Year 1995 the two districts spent 4 percent

and 18 percent, respectively, of their Colorado Preschool Program funds for administration. In the third case, the district did not spend any Colorado Preschool Program funds on administrative costs. It supplemented Colorado Preschool Program monies with additional local resources that were used to provide a greater level of direct services to children.

Another problem we encountered in attempting to verify the information reported to the House Education Committee was a lack of supporting documentation. The Department and the Association staff indicated that after receiving the survey results, they called many of the contracting districts to obtain more information. Most reported results are based on these phone conversations rather than on the initial survey responses. However, explanations for these revised results were not noted on the responses. We were unable to duplicate reported results in six out of the seven survey responses we sampled for testing. Without explanations for the changes that were made, we could not determine whether the reported survey results were in fact more accurate than the initial responses.

Steps To Ensure Compliance With Legislative Intent for Use of Colorado Preschool Program Funds Should Be Taken

In one of the footnotes attached to the appropriations bill for Fiscal Year 1996 (SB 95-214), the General Assembly stated the following intent for the use of Colorado Preschool Program funds:

1. 95 percent requirement: No less than 95 percent of the monies available to or through the Colorado Preschool Program shall be used for the provision of preschool services directly to children enrolled under Colorado Preschool Program.
2. 100 percent requirement: No monies made available to or through the Colorado Preschool Program shall be committed, used, or diverted to any other program or use.

While the first requirement establishes the need to use 95 percent of Colorado Preschool Program funds for direct services, the second requirement presumably allows for up to 5 percent of Colorado Preschool Program funds to be used for administrative costs or other costs of the program that do not directly benefit the children.

We performed our analysis by applying the 95 percent and 100 percent requirements on a district-by-district basis, although this is not stated in the footnote. Our analysis was based on preliminary Fiscal Year 1996 data for the seven districts we visited, since the year was not completed at the time of our audit.

First Requirement: 95 Percent of Colorado Preschool Program Monies Should Directly Benefit Children

The first requirement states that at least 95 percent of Colorado Preschool Program revenues should be used for services that directly benefit Colorado Preschool Program children. The Department has not provided a definition of "administrative" or "direct" services to the districts. Therefore, the actual definitions have been left to the discretion of the individual districts.

Districts we visited were using Colorado Preschool Program funds for direct services such as Colorado Preschool Program teacher salaries, supplies, and payments to community providers. Districts also included program support such as curriculum materials, parenting specialist, school nurse, or district preschool program coordinator as direct services. In cases where Colorado Preschool Program services are obtained from community providers, districts commonly extended some program support services to these providers.

Three of Seven Districts Were Spending Less Than 95 Percent of Colorado Preschool Program Funds on Direct Services

Under this analysis, four of the seven districts we visited appeared likely to meet the 95 percent requirement and the remaining three districts would not, according to Fiscal Year 1996 district budget and interim information. In two cases, the districts were spending about 65 percent and 74 percent on direct services. In the third case, the district provided incomplete data that indicated it would spend at most 92 percent of Colorado Preschool Program revenues on direct services.

Funds Paid to Community Providers

During the audit Department staff expressed that the intent of the 95 percent requirement might have been to require that districts pay community providers 95 percent of the per pupil operating revenue for each child served by the provider. Staff based this on discussions during the 1995 Session, during which some community providers raised concerns about districts not passing sufficient Colorado Preschool Program revenues to providers.

Out of the seven districts we visited, four contract with community providers in whole or in part for Colorado Preschool Program services. We found that on the basis of Fiscal Year 1996 district budget and interim information, these districts were paying community providers between 50 percent and 88 percent of the per pupil operating revenue for each child receiving Colorado Preschool Program services through those providers. In other words, in all cases the community providers

received less than 95 percent of the per pupil operating revenue for the Colorado Preschool Program children they were serving.

The four districts reported that they used Colorado Preschool Program funds not paid to the community providers to finance program support services that benefit Colorado Preschool Program children. These support services include, among other things, initial eligibility screening, curriculum materials, a preschool program coordinator who works with the providers, parent coordinators, and assistance with improving program quality through site visits and feedback. Districts also make training available to community provider staff. None of the districts considered these expenditures to be administrative costs.

If the costs of these support services are included as direct services, one of the four districts was using 95 percent of the per pupil operating revenue for the direct benefit of children placed with community providers. Two of the districts were projected to be using about 74 percent and 94 percent, respectively, and in the last case the district did not provide the information needed to make this determination. If some of these support services were defined as not qualifying as direct services, the percentage of Colorado Preschool Program monies being used for direct services benefitting children would be lower.

Second Requirement: 100 Percent of Colorado Preschool Program Funds Should Be Used for the Program

The second part of the footnote requirement is that all Colorado Preschool Program funds are to be used for the program and are not to be committed, used, or diverted to any other program or use.

Three of Seven Districts Were Not Spending 100 Percent of Colorado Preschool Program Funds on the Program

On the basis of district Fiscal Year 1996 budget and interim information, we found that four of the seven districts appeared likely to spend all Colorado Preschool Program monies on the program.

For the remaining three districts, projected expenditures ranged from about 77 to 90 percent of Colorado Preschool Program funds. These districts reported that they would be using the balance of Colorado Preschool Program funds in the following ways:

- One district was placing remaining Colorado Preschool Program monies in the school district's contingency fund. The fund will finance the renovation

and expansion of the district's school building and will include remodeling the classroom used for the Colorado Preschool Program.

- One district operates the Colorado Preschool Program as part of a preschool for language development that serves special education and tuition-paying children as well as Colorado Preschool Program children. The balance of Colorado Preschool Program funds will be used in some manner to operate the total preschool program.
- The third district did not track in its budget how the balance of Colorado Preschool Program funds would be expended, so we could not determine the district's use of the balance. Remaining Colorado Preschool Program funds would have presumably gone toward other district operating expenditures.

Footnote Requirements Raise Some Questions

Mandated pass-through amounts to contract providers could result in overpayments in some cases.

During the audit we noted two concerns about the footnote and the possible impact of the requirements. First, a requirement to pay community or contract providers 95 percent of the per pupil operating revenue for Colorado Preschool Program children they serve could result in

overpayments to some contract providers who are willing to furnish services for less money. Mandating 95 percent pass through of the per pupil operating revenue could lead to instances where contract providers would receive reimbursement for Colorado Preschool Program services in excess of their normal tuition rates for similar services. We found that such a requirement would have had this effect in one of the four districts we visited that contracted Colorado Preschool Program services. One of the community provider's normal tuition rates for comparable services was \$1,305 for the school year. If the district had been required to pass through 95 percent of the per pupil operating revenue, it would have had to pay the provider \$2,037 for the year, or \$732 above the normal tuition rate.

Second, Department personnel expressed concerns that the 100 percent requirement in the footnote requires districts to track the expenditure of Colorado Preschool Program funds. Staff indicated that this type of requirement is not consistent with requirements for other funds provided under the Public School Finance Act. For example, districts are not required to track expenditures of special education preschool program funds or to demonstrate that all special education funds are spent on this program.

Department Action Is Necessary To Clarify Fiscal Requirements for the Colorado Preschool Program

The Department needs to work with the General Assembly to clarify requirements for how Colorado Preschool Program funds are to be spent. In the short term, this means that the Department should obtain clarification from the Joint Budget Committee about the intent of the footnote and its requirements. This should include working with the Joint Budget Committee to develop a definition of direct services so that all districts are using the term consistently. For the longer term, the Department needs to pursue discussions with the General Assembly to obtain statutory clarification on the use of Colorado Preschool Program funds by school districts in the future.

This clarification is needed in order to ensure that the Department can effectively inform the school districts and district councils about the appropriate use of Colorado Preschool Program funds and that requirements put into place produce the intended results. Without this clarification, the Department and districts cannot be certain that expenditures of Colorado Preschool Program funds meet legislative guidelines.

Recommendation No. 3:

The Colorado Department of Education should establish policies and procedures to comply with fiscal requirements for expenditures of Colorado Preschool Program funds by:

- a. Seeking clarification of the Joint Budget Committee's footnote on the use of Colorado Preschool Program funds for Fiscal Year 1997. This should include obtaining definitions of key terms such as direct services.
- b. Developing and communicating procedures to districts on the requirements of the footnote.
- c. Obtaining statutory clarification from the General Assembly on the use of Colorado Preschool Program funds for subsequent years and developing appropriate administrative mechanisms.

Colorado Department of Education Response:

Agree. There is definitely a need to clarify the intent of the General Assembly as to the implementation of the footnote. Amendments to place the footnote

requirements in statute were defeated in the Senate Education Committee this year. Historically the budgeting of funds received through the School Finance Act have been a matter of local control as long as program requirements are being met.

Comment: The audit report indicates that the administrative costs reported to the General Assembly were not accurate. We consulted with the Colorado Association of School Executives around a standard definition of administration. We were told that there is not a standard definition used in Colorado. As the audit report indicates we did make the assumption that "funds not used either for community providers or for other direct services benefitting children at those sites were administrative costs for the Colorado Preschool Program." We believed this to be an appropriate assumption under the circumstances. There were several issues encountered during the collection of data. School districts indicated that they incurred costs well beyond the funds generated by the count. Examples include: providing free space to private providers in school buildings, serving more children than they were actually paid for through the count, serving children five(5)one-half days a week rather than the required four(4)one-half days. The Department agrees to develop and communicate procedures to districts on any funding and reporting mandates required by the General Assembly.

Implementation: Upon statutory clarification from the General Assembly.

Colorado Preschool Program Funds and Categorical Buyout Districts

The Public School Finance Act (Act) was established to further the General Assembly's responsibility to provide a thorough and uniform system of public schools throughout the State. The Act states that a thorough and uniform system requires that all school districts operate under the same finance formula. The Act includes provisions requiring specific reductions in state aid to some school districts because of their greater financial resources relative to other districts. Districts subject to these reductions in state aid are termed "categorical buyout" districts.

During Fiscal Years 1995 and 1996 Park County RE-2 School District, a categorical buyout district, contracted with Fremont County RE-1 School District to receive Colorado Preschool Program funding through Fremont County RE-1. Fremont County RE-1 is not a categorical buyout district and is not subject to state aid limitations established in the Public School Finance Act for those districts. Fremont

County RE-1 received Colorado Preschool Program funding from the Department of Education for 8 Park County RE-2 children in Fiscal Year 1995 and 14 Park County RE-2 children in Fiscal Year 1996. Department staff report that Fremont County RE-1 deducted an administrative fee of about 5 percent and forwarded the remaining Colorado Preschool Program funds to Park County RE-2. The children resided in Park County RE-2 and were served in that district. Park County RE-2 received state funding through Fremont County RE-1 of approximately \$10,500 in Fiscal Year 1995 and \$20,000 in Fiscal Year 1996, or a total of about \$30,500 for the Colorado Preschool Program.

Department program staff were aware of the arrangement and aware that the arrangement was made in order for Park County RE-2 to receive Colorado Preschool Program funding that it could not have received directly from the Department under the Public School Finance Act. Park County RE-2 stated to Department program staff that it had children that were eligible for the program, and it did not have the funds to operate the Colorado Preschool Program on its own.

District Received State Aid That It Would Have Been Required To Offset With Local Funds Under the Public School Finance Act

By obtaining Colorado Preschool Program funds through Fremont County RE-1, Park County RE-2 was able to receive state aid to operate the program. If Park County RE-2 had received Colorado Preschool Program funding directly from the Department, it would have been required under the terms of the Public School Finance Act to offset all state aid received for the Colorado Preschool Program with its own funds.

In Fiscal Year 1995 there were four other categorical buyout districts in addition to Park County RE-2 that participated in the Colorado Preschool Program. In Fiscal Year 1996 seven other categorical buyout districts in addition to Park County RE-2 participated in the program. In both years, all of the other categorical buyout districts were funded for the Colorado Preschool Program directly from the Department, and the required adjustments of state aid under the Public School Finance Act formula were made for these districts.

School districts are allowed certain contracting powers under statutes. However, it is questionable whether a school district should use these powers to obtain state aid to which it is not otherwise entitled under the formula established by the Public School Finance Act. We believe the Department should rectify the funding for the Colorado Preschool Program paid to Fremont County RE-1 for Park County RE-2. Further, the Department should take steps to prevent this type of occurrence in the future.

Recommendation No. 4:

The Colorado Department of Education should seek a refund of monies provided to Park County RE-2 School District for the Colorado Preschool Program in Fiscal Years 1995 and 1996 that the district was ineligible to receive under the Public School Finance Act.

Colorado Department of Education Response:

Partially agree. The Department will, as a part of its regular audit of the student count for Park County RE-2, review the problem identified by the State Auditor and have the district return funding if over appropriated.

Implementation: Fiscal Year 1997.

Recommendation No. 5:

The Colorado Department of Education should develop policies and procedures to prevent instances where categorical buyout districts are being funded for the Colorado Preschool Program through other noncategorical buyout districts.

Colorado Department of Education Response:

Agree. The Colorado Department of Education agrees to develop policies and procedures to prevent instances where categorical buyout districts are being funded for the Colorado Preschool Program through others noncategorical buyout districts.

Implementation: September 15, 1996

Evaluation and Quality Standards

Chapter 3

Background

The General Assembly created the Colorado Preschool Program in recognition of the need to adequately prepare children in the State to learn. Statutes indicate the program is to serve children who lack overall learning readiness due to significant family risk factors, are in need of language development, or are receiving services from the state Department of Human Services as neglected or dependent children. The General Assembly also expressed that early childhood failure may ultimately contribute to these at-risk children dropping out of school at an early age, failing to achieve their full potential, becoming dependent on public assistance, or becoming involved in criminal activities. The Colorado Department of Education is required to report annually on the effectiveness of the program.

Department has established program criteria based on nationally accepted standards.

Statutes also require the Department to establish criteria for the Colorado Preschool Program based on nationally accepted standards. In November 1994 the Department issued the *Quality Standards for Early Childhood Care and*

Education Services (quality standards) for all preschool programs funded through the Department, including the Colorado Preschool Program. Research shows that quality preschool programs can help at-risk children perform better in school and contribute to their later success, as well as decrease costs related to crime and welfare. Establishing quality standards and ensuring they are implemented are integral factors in determining whether the Colorado Preschool Program achieves the expected benefits for children and the State. Statutes place responsibilities for overseeing the implementation of the quality standards with the Department, school districts, and district councils.

Overall, the Colorado Preschool Program contains many of the components that have been recognized as part of providing a quality program, and it compares favorably in numerous respects with other similar state programs. In addition to the quality

standards established by the Department, the program requires active parental involvement, which has been identified as one of the critical elements in effective programs. The Colorado Preschool Program is also designed to address comprehensive needs of children such as health care, nutrition, and social services, and the use of extended day services to assist working parents is encouraged.

Audit Findings

We found that although the Colorado Preschool Program contains many important elements for a successful program, the Department should strengthen the program by making improvements in several key areas. These improvements include:

- Developing mechanisms to evaluate the short- and long-term benefits of the program for children and for the State, and determine whether program goals are being met. Without these mechanisms, it cannot be determined if program goals are achieved. Under HB 96-1017, the State Auditor is required to conduct evaluations of prevention and intervention programs such as the Colorado Preschool Program to determine whether programs are effectively and efficiently meeting their stated goals.
- Expanding technical assistance and program monitoring to help district programs meet statutory requirements for program quality standards and administrative operations.

Current Statewide Evaluation Information on the Colorado Preschool Program Is Not Available

Currently the Department cannot determine the ongoing effectiveness of the Colorado Preschool Program because there is no short- or long-term evaluation information available on a statewide basis. The Department cannot demonstrate overall how successfully the program is meeting stated goals such as preparing children for kindergarten in the short term or providing other benefits such as lower dropout rates in the long term. As a result, we could not determine whether the Colorado Preschool Program is effectively and efficiently meeting its goals. Also, the Department is unable to report on program effectiveness to the General Assembly as required by statute. In recent years the Department has limited its annual report to the General Assembly to describing the number and types of service providers in participating school districts.

Statewide Evaluation Was Performed in Early Years of Program

In recognition of the need for evaluation in the early years of the program, the Department obtained a grant from the U.S. Department of Education that funded a three-year study of the program during its pilot phase. The study was performed by the University of Colorado on Colorado Preschool Program students during Fiscal Years 1990 through 1992. Children were tested at the beginning and end of the preschool program and their progress was summarized with respect to a number of characteristics such as method of service delivery (school district, publicly funded agency, privately funded agency), ethnicity, community size and location, household income levels, and parental involvement.

The study reported that children showed gains in language development beyond those expected from maturation alone. The following table summarizes the results in language development across methods of service delivery:

**Summary of Language Gains for Participants in
Colorado Preschool Program
Fiscal Years 1990 Through 1992**

Method of Service Delivery	Ratio of Language Age to Chronological Age		
	Beginning of Program	End of Program	Gain
School District	93.0%	109.2%	16.2%
Public Agency	91.2%	105.8%	14.6%
Private Agency	97.0%	106.1%	9.1%

Source: SAO analysis of Colorado Department of Education data from *Colorado Preschool Program: An Analysis of Three Year Trends*, July 1993.

Note: 100% represents the point where a child's language development is at the level expected for his or her chronological age.

The study also estimated that the Colorado Preschool Program resulted in savings during the three-year period from \$4.6 million to \$7 million when the children entered kindergarten based on researchers' determination of a potential decreased need for special education services among participating children. These decreases in special education needs are summarized in the table below:

**Summary of Decreases in Major Learning Problems for Participants in
Colorado Preschool Program
Fiscal Years 1990 Through 1992**

Developmental Skills	Percent of Children With Major Learning Problems		
	Beginning of Program	End of Program	Reduction
Probable delays: Refer to special education	15.9%	2.7%	13.2%
Possible delays: Rescreen for possible special education needs	26.6%	8.4%	18.2%

Source: SAO analysis of Colorado Department of Education data from *Colorado Preschool Program: An Analysis of Three Year Trends*, July 1993.

Note: Researchers assumed all children in "Probable delays" category at the end of the preschool program required special education services in kindergarten. For children in the "Possible delays" category, researchers used three different assumptions about the proportion of children that would need special education services. This resulted in a range of possible savings from \$4.6 million to \$7 million, assuming the average additional costs of special education services was \$3,500 per child for one year at the time of the study.

These types of results are consistent with those documented in the Perry Preschool Project that was discussed in the Description section of the report. This project found that at-risk children in quality preschool programs made significant gains and were less likely to require special education services than similar at-risk children who did not attend this type of program.

Districts Use a Variety of Methods To Monitor Short-Term Results

All districts visited during our audit stated that they assessed individual child progress, although they employed a variety of techniques for this purpose. Five of the seven districts conducted pre- and posttesting of children during the program year; the two other districts had less formal methods of evaluating child progress, such as periodic discussions between teachers and parents about the children's performance. Only one district compiled and reported results for the program as a whole, which it reported to its school board. This district reported that 96 percent of the children in the Colorado Preschool Program achieved language gains of 14 to 18 months during the program. In addition, the district reported that there was a substantial reduction of children's needs for special education services upon entry into kindergarten that resulted in cost savings of about \$1 million to the district.

None of the districts we visited had continued the testing techniques used for the three-year study funded by the U.S. Department of Education.

Preschool Programs Should Prepare Children for Kindergarten

In April 1996 the Colorado Education Goals Panel issued *Partnerships for Educating Colorado Students: Continuing the Commitment*. The Panel members were appointed by the Governor and the Commissioner of Education, who is the executive director of the Department of Education. The Panel's report was part of the State's efforts to implement standards-based education under HB 93-1313. The *Partnerships* report was intended as a comprehensive state planning framework that could also be used by local communities in their development of local standards. The local standards are to be constructed within the context of the State's model content standards.

Partnerships for Educating Colorado Students establishes eight goals for education in the State. Goal Five states that education should be started early to ensure that children are ready to learn when they enter school. Part of implementing this goal should be the development of a process to measure the effectiveness of preschool education in adequately preparing children for kindergarten.

Long-Term Evaluation Is Needed

Long-term effectiveness should also be measured to determine if the Colorado Preschool Program is giving anticipated results, such as lower dropout rates, as established in statute. Under standards-based education established by HB 93-1313, student progress must be assessed at the fourth, eighth, and eleventh grades. This could present an opportunity for data collection on the Colorado Preschool Program, as well as other programs.

Cost factors are important in considering evaluation methods and needs.

Evaluation studies can be costly, and consideration needs to be given to the type and amount of information that would be useful. It may be possible to use a more simplified approach for short-term results that was employed in the early study of

the Colorado Preschool Program by the University of Colorado. For long-term results, mandatory assessment points under HB 93-1313 may offer some efficiencies for data collection.

Evaluation Information Can Be Used To Report Program Effectiveness and Improve Program Operations and Performance

Evaluation information is important for reporting program effectiveness in meeting goals to the General Assembly and the public. If program results can be clearly communicated, they could demonstrate the continued value of using state and local resources for the Colorado Preschool Program. Without knowledge of how well the program is meeting legislative goals and goals established by the State Board and the Colorado Education Goals Panel, important information is lacking to assist in decision making for funding or other purposes.

Information on program results should also be used to improve the operations and performance of the program and provide a better allocation of administrative resources. On a statewide level, program evaluation could help the Department identify outstanding district programs that could be used as models for other districts. It would also enable the Department to focus technical assistance and monitoring efforts toward programs that have the greatest need. Similarly, districts and district councils could use evaluation information to assess the services of providers, provide models or "best practices" for other providers, and identify needs for technical assistance at the local level.

Recommendation No. 6:

The Colorado Department of Education should establish a framework for evaluating the Colorado Preschool Program by:

- a. Identifying methods for short- and long-term evaluation of the program in accordance with stated goals.
- b. Working with districts and district councils to implement assessment methods.
- c. Using evaluation results to improve program operations and performance.
- d. Reporting on short- and long-term program results and effectiveness in meeting goals to the General Assembly.

Colorado Department of Education Response:

Agree. This recommendation would definitely enhance the quality of the program services. The Department has been able to provide such information in the past through a federal grant of approximately 1 million dollars over a three year period. The findings from this research have been provided to the General Assembly.

Option 1: Institute the research design developed by the University of Colorado. Cost: \$380,000 per year. Figures based on actual cost.

Option 2.: Develop a new framework with fewer data collection demands that can be collected at the local level and aggregated at the state level. Cost: \$100,00 per year. Evaluation to be contracted out.

Option 3: Target a representative sample of district programs and conduct an in depth evaluation with more comprehensive data. Cost: \$100,00 a year. Evaluation to be contracted out.

Option 4: Target a representative sample of districts and do case studies with families over time. Cost: \$75,000 per year.

Option 5. 1.0 FTE plus operating to work with local district councils to develop evaluation design locally. Evaluation would be reported by district. Cost: \$75,000 a year.

Implementation: Upon identification of resources and staff to carry out the charge.

Quality Standards and Program Monitoring

In 1994 the Colorado Department of Education issued the *Quality Standards for Early Childhood Care and Education Services* (quality standards). The quality standards incorporate nationally recognized standards as required by statute.

The Department requires the quality standards be used for all preschool programs funded through the Department. In addition to the Colorado Preschool Program, this includes special education, migrant education, and the federal Title I preschool programs. Title I of the Improving America's Schools Act provides federal funds

for assisting with the needs of educationally deprived children in areas with high concentrations of low-income families.

Statutory Requirements and Quality Standards Are Not Met in Some Cases

Under the Colorado Preschool Program Act, district councils are responsible for administering the Colorado Preschool Program and ensuring that the quality standards are met by providers. For example, district councils are required to perform two annual on-site monitoring visits to service providers. However, there are indications that in some cases quality standards are not being met. During a recent district monitoring visit conducted by the Department, it identified serious deficiencies in providers' knowledge of the quality standards and the quality of services throughout the district. During our seven district visits, in many cases we could not assess whether district councils were ensuring quality standards were met by providers. It was not clear how extensively the district council reviewed quality standards, what type of feedback the council provided, or how it resolved problems identified. In one district, district preschool program personnel stated that they were not meeting all of the quality standards but planned to implement one section of the total eleven sections each year. District preschool staff at two of the smaller district programs expressed a need for technical assistance from the Department on how to implement the quality standards.

We found instances where other statutory requirements were not being met by district councils. In most instances, local personnel were either not aware of the requirement or did not clearly understand what the requirement was. For example:

- Three district councils did not conduct formal local request-for-proposal processes to identify providers for new Colorado Preschool Program spaces.
- Four of the district councils did not have the required statutory composition. One of these did not have representation from community providers, which include publicly funded early childhood education agencies and privately funded child care centers.
- One district council did not obtain the approval of the local board of education on decisions about program providers.
- Two district programs were exceeding statutory limits for the number of children permitted in one class.

Department Needs Improved Method for Ensuring Program Compliance

The Department does not have an effective method to ensure that statutory requirements for the Colorado Preschool Program are met. It has supplied limited technical assistance on program requirements to district councils and limited feedback in the form of monitoring. The Department did not begin performing on-site monitoring of local programs until October 1994. Since that time, it has conducted joint monitoring visits at three districts in conjunction with program reviews for Title I and special education preschool.

Compliance With Quality Standards and Other Requirements Is Needed To Ensure Program Produces Benefits and Resources Are Used Effectively

The quality standards were developed by the Department of Education as a means of defining the level of services expected of preschool programs overseen by and receiving state funding through the Department. If quality standards are not met by providers, the Colorado Preschool Program may not produce the types of benefits that statutes intend. Therefore, state and local resources spent on the program may not be as effectively used as they could be, and children may receive less benefit than they would under a quality program.

Technical assistance can aid district councils in implementing quality standards and working with providers.

In addition to overseeing compliance, the Department needs to provide technical assistance to district councils on the implementation of the quality standards. This could include identifying key aspects of the quality standards, developing ways to prioritize quality components, and training local personnel in performing site reviews and helping providers. This would allow the councils to work more effectively with local providers on improving their programs.

Noncompliance with other statutory requirements may have an impact on the ability to utilize community resources. For example, if a district council does not conduct a formal local request-for-proposal process, it may not learn of community providers who could offer the program. This could prevent additional Colorado Preschool Program services from being available for children in the district. Lack of representation from key groups such as community providers can also decrease a district council's knowledge of local resources and ability to use them.

By improving compliance with quality standards and other statutory requirements, the Department will help ensure that state and local resources dedicated to the Colorado Preschool Program are used effectively to benefit children, local communities, and the State.

Recommendation No. 7:

The Colorado Department of Education should ensure statutory requirements for the Colorado Preschool Program, including program quality standards, are met by expanding technical assistance to and monitoring of local programs under the Colorado Preschool Program.

Colorado Department of Education Response:

Agree. Technical assistance requests and the findings of this audit report indicated a need for technical assistance support to district councils and program staff. Child progress is related to the quality of the services offered. Colorado should make good use of its quality standards by supporting communities in meeting them. The capacity to monitor programs would assist in assuring the Legislature that the Colorado Preschool Program is meeting statutory requirements.

Cost: 1.0 FTE plus operating and travel-\$70,000.

Implementation: Upon identification of staff and resources to carry out the charge.

Recommendation No. 8:

The Colorado Department of Education should assist district councils in implementing the quality standards by identifying key factors of the standards, developing priorities, and providing training.

Colorado Department of Education Response:

Agree. We agree that the implementation of quality programs at the local level will increase the effect of the program on a child's development in a positive way. Findings from this audit and from monitoring visits indicate a need for training in the standards required by the Colorado Preschool Program Act.

Cost: .5 FTE, operating and travel-\$40,000.

Implementation: Upon identification of resources to carry out the charge.

Coordination of Quality Standards and Licensing Requirements

The Departments of Education and Human Services collaborated on the development of the *Quality Standards for Early Childhood Care and Education Services* (quality standards). This was done to ensure the quality standards for the Department of Education's preschool programs included the Department of Human Services' licensing requirements for child care facilities. Also, staff believed it would be helpful to service providers to have one comprehensive document listing all requirements that needed to be met.

The quality standards were issued in November 1994 with the intention that regular updates would occur in order that the document would remain relevant and useful for all programs. However, no process was established that would ensure changes in licensing requirements would be integrated into the quality standards and distributed to district councils. As a result, recent revisions in the Department of Human Services' licensing requirements are not reflected in the quality standards. For example, new requirements effective as of July 1995 specify the amount and type of development training required each year for child care center staff. Some specific training is required to be completed by July 1996.

If district councils do not receive revisions of quality standards, they may not be aware of new requirements. If the district councils are not aware of the changes, they cannot inform providers about the need to implement new measures.

The Department of Human Services updates child care licensing requirements every three years. The Department of Education works with the Department of Human Services to coordinate efforts in early childhood care. As part of these efforts the Department of Education needs to ensure that changes to the child care licensing requirements are reflected in the quality standards and are distributed to district councils. This will aid district councils and Colorado Preschool Program providers in complying with requirements directed toward improving services to children.

Recommendation No. 9:

The Colorado Department of Education should ensure that changes in the child care licensing requirements are incorporated into the *Quality Standards for Early Childhood Care and Education Services* and are distributed to district councils.

Colorado Department of Education Response:

Agree. The Department will be able to incorporate changes in child care licensing requirements into the standards and distribute them to local district councils. The Department has a good working relationship with Human Services and sits on an interagency team that works together on issues related to early childhood care and education.

Implementation: September 1, 1996

APPENDICES

MEMORANDUM

TO : SAC, NEW YORK (100-10000)

FROM : SAC, PHOENIX (100-10000)

SUBJECT: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

APPENDIX A

COLORADO PRESCHOOL PROGRAM FUNDING--FISCAL YEAR 1996				TOTAL					
COUNTY	DISTRICT		PRESCHOOL STUDENTS	PER PUPIL FUNDING	PRESCHOOL FUNDING	% STATE SHARE	STATE FUNDS	% LOCAL SHARE	LOCAL FUNDS
1	ADAMS	MAPLETON 1	75.0	\$2,158.22	\$161,866.66	53.50%	\$86,594.74	46.50%	\$75,271.91
2	ADAMS	NORTHGLENN-THORNTON 12	170.0	2,118.17	360,088.20	73.92%	266,167.97	26.08%	93,920.23
3	ADAMS	ADAMS COUNTY 14	202.0	2,211.12	446,645.27	63.41%	283,225.33	36.59%	163,419.94
4	ADAMS	BRIGHTON 27J	61.0	2,169.21	132,322.09	64.70%	85,608.73	35.30%	46,713.36
5	ADAMS	BENNETT 29J	10.0	2,235.09	22,350.91	65.27%	14,587.95	34.73%	7,762.96
6	ADAMS	STRASBURG 31J	9.0	2,543.10	22,887.87	67.34%	15,411.87	32.66%	7,476.00
7	ADAMS	WESTMINSTER 50	70.0	2,120.25	148,417.31	68.39%	101,502.47	31.61%	46,914.84
8	ALAMOSA	ALAMOSA RE-11J	60.0	2,165.41	129,924.46	75.88%	98,580.66	24.12%	31,343.79
9	ALAMOSA	SANGRE DE CRISTO RE-22J	0.0	2,689.65	0.00	71.56%	0.00	28.44%	0.00
10	ARAPAHOE	ENGLEWOOD 1	50.0	2,194.05	109,702.39	57.77%	63,380.36	42.23%	46,322.03
11	ARAPAHOE	SHERIDAN 2	15.0	2,297.93	34,468.90	68.41%	23,581.47	31.59%	10,887.43
12	ARAPAHOE	CHERRY CREEK 5	132.0	2,211.28	291,889.43	44.18%	128,947.22	55.82%	162,942.21
13	ARAPAHOE	LITTLETON 6	60.0	2,100.00	126,000.00	58.97%	74,307.23	41.03%	51,692.77
14	ARAPAHOE	DEER TRAIL 26J	5.0	3,875.44	19,377.22	62.82%	12,173.33	37.18%	7,203.89
15	ARAPAHOE	ADAMS-ARAPAHOE 28J	220.0	2,194.24	482,731.75	70.78%	341,663.78	29.22%	141,067.97
16	ARAPAHOE	BYERS 32J	12.0	2,654.46	31,853.53	61.90%	19,718.53	38.10%	12,135.00
17	ARCHULETA	ARCHULETA COUNTY 50 JT	0.0	2,252.03	0.00	43.33%	0.00	56.67%	0.00
18	BACA	WALSH RE-1	0.0	2,932.85	0.00	49.79%	0.00	50.21%	0.00
19	BACA	PRITCHETT RE-3	0.0	4,273.47	0.00	75.04%	0.00	24.96%	0.00
20	BACA	SPRINGFIELD RE-4	46.0	2,643.06	121,580.65	67.99%	82,662.13	32.01%	38,918.52
21	BACA	VILAS RE-5	0.0	4,427.35	0.00	69.74%	0.00	30.26%	0.00
22	BACA	CAMPO RE-6	0.0	4,344.46	0.00	62.45%	0.00	37.55%	0.00
23	BENT	LAS ANIMAS RE-1	0.0	2,310.24	0.00	77.15%	0.00	22.85%	0.00
24	BENT	MC CLAVE RE-2	12.0	2,967.97	35,615.66	83.38%	29,697.48	16.62%	5,918.17
25	BOULDER	ST VRAIN VALLEY RE 1J	40.0	2,115.66	84,626.41	56.17%	47,536.10	43.83%	37,090.31
26	BOULDER	BOULDER VALLEY RE 2	114.0	2,165.25	246,838.91	20.32%	50,157.41	79.68%	196,681.50
27	CHAFFEE	BUENA VISTA R-31	0.0	2,334.66	0.00	52.17%	0.00	47.83%	0.00
28	CHAFFEE	SALIDA R-32	18.0	2,213.18	39,837.21	63.16%	25,159.26	36.84%	14,677.95
29	CHEYENNE	KIT CARSON R-1	0.0	3,805.78	0.00	0.34%	0.00	99.66%	0.00
30	CHEYENNE	CHEYENNE COUNTY RE-5	6.0	2,538.20	15,229.17	53.05%	8,079.20	46.95%	7,149.98
31	CLEAR CREEK	CLEAR CREEK RE-1	8.0	2,281.31	18,250.44	28.08%	5,124.80	71.92%	13,125.64
32	CONEJOS	NORTH CONEJOS RE-1J	0.0	2,247.88	0.00	92.83%	0.00	7.17%	0.00
33	CONEJOS	SANFORD 6J	0.0	2,477.44	0.00	93.72%	0.00	6.28%	0.00
34	CONEJOS	SOUTH CONEJOS RE-10	0.0	2,414.03	0.00	77.95%	0.00	22.05%	0.00
35	COSTILLA	CENTENNIAL R-1	0.0	2,638.27	0.00	46.81%	0.00	53.19%	0.00
36	COSTILLA	SIERRA GRANDE R-30	0.0	2,818.63	0.00	24.32%	0.00	75.68%	0.00
37	CROWLEY	CROWLEY COUNTY RE-1-J	0.0	2,244.47	0.00	83.12%	0.00	16.88%	0.00
38	CUSTER	CONSOLIDATED C-1	10.0	2,535.08	25,350.85	29.20%	7,401.61	70.80%	17,949.24

COLORADO PRESCHOOL PROGRAM FUNDING--FISCAL YEAR 1996

COUNTY	DISTRICT		PRESCHOOL STUDENTS	PER PUPIL FUNDING	TOTAL PRESCHOOL FUNDING	% STATE SHARE	STATE FUNDS	% LOCAL SHARE	LOCAL FUNDS
39	DELTA	DELTA COUNTY 50(J)	0.0	2,136.34	0.00	71.13%	0.00	28.87%	0.00
40	DENVER	DENVER COUNTY 1	1,315.0	2,377.48	3,126,391.97	32.77%	1,024,407.22	67.23%	2,101,984.75
41	DOLORES	DOLORES COUNTY RE NO.2	0.0	2,740.05	0.00	55.65%	0.00	44.35%	0.00
42	DOUGLAS	DOUGLAS COUNTY RE 1	19.0	2,100.00	39,900.00	52.08%	20,780.39	47.92%	19,119.61
43	EAGLE	EAGLE COUNTY RE 50	35.0	2,302.50	80,587.46	0.00%	0.00	100.00%	80,587.46
44	ELBERT	ELIZABETH C-1	12.0	2,200.38	26,404.62	74.63%	19,706.84	25.37%	6,697.78
45	ELBERT	KIOWA C-2	0.0	3,205.03	0.00	72.83%	0.00	27.17%	0.00
46	ELBERT	BIG SANDY 100J	0.0	2,636.98	0.00	79.99%	0.00	20.01%	0.00
47	ELBERT	ELBERT 200	5.0	3,526.16	17,630.80	83.12%	14,654.68	16.88%	2,976.12
48	ELBERT	AGATE 300	2.0	4,640.77	9,281.53	53.07%	4,925.56	46.93%	4,355.98
49	EL PASO	CALHAN RJ-1	15.0	2,454.16	36,812.37	82.82%	30,487.96	17.18%	6,324.41
50	EL PASO	HARRISON 2	150.0	2,131.28	319,692.12	75.23%	240,510.71	24.77%	79,181.41
51	EL PASO	WIDEFIELD 3	0.0	2,073.58	0.00	85.76%	0.00	14.24%	0.00
52	EL PASO	FOUNTAIN 8	30.0	2,112.46	63,373.80	89.96%	57,007.97	10.04%	6,365.83
53	EL PASO	COLORADO SPRINGS 11	294.0	2,159.53	634,901.28	57.70%	366,312.91	42.30%	268,588.38
54	EL PASO	CHEYENNE MOUNTAIN 12	0.0	2,114.66	0.00	40.02%	0.00	59.98%	0.00
55	EL PASO	MANITOU SPRINGS 14	0.0	2,273.77	0.00	62.80%	0.00	37.20%	0.00
56	EL PASO	ACADEMY 20	0.0	2,089.34	0.00	66.92%	0.00	33.08%	0.00
57	EL PASO	ELLCOTT 22	0.0	2,518.54	0.00	86.36%	0.00	13.64%	0.00
58	EL PASO	PEYTON 23 JT	0.0	2,573.43	0.00	77.91%	0.00	22.09%	0.00
59	EL PASO	HANOVER 28	0.0	3,817.96	0.00	75.63%	0.00	24.37%	0.00
60	EL PASO	LEWIS-PALMER 38	0.0	2,134.97	0.00	65.50%	0.00	34.50%	0.00
61	EL PASO	FALCON 49	0.0	2,124.27	0.00	73.97%	0.00	26.03%	0.00
62	EL PASO	EDISON 54 JT	0.0	4,913.01	0.00	77.94%	0.00	22.06%	0.00
63	EL PASO	MIAMI/YODER 60 JT	0.0	3,483.40	0.00	86.89%	0.00	13.11%	0.00
64	FREMONT	CANON CITY RE-1--NOTE 2	79.0	2,100.00	165,900.00	71.18%	118,085.67	28.82%	47,814.33
65	FREMONT	FLORENCE RE-2	0.0	2,139.84	0.00	74.23%	0.00	25.77%	0.00
66	FREMONT	COTOPAXI RE-3	0.0	2,943.64	0.00	49.57%	0.00	50.43%	0.00
67	GARFIELD	ROARING FORK RE-1	37.0	2,245.24	83,073.75	30.87%	25,642.64	69.13%	57,431.11
68	GARFIELD	GARFIELD RE-2	6.0	2,156.11	12,936.64	72.03%	9,318.36	27.97%	3,618.28
69	GARFIELD	GARFIELD 16	0.0	2,530.68	0.00	68.31%	0.00	31.69%	0.00
70	GILPIN	GILPIN COUNTY RE-1	0.0	2,666.05	0.00	47.36%	0.00	52.64%	0.00
71	GRAND	WEST GRAND 1-JT.	5.0	2,565.50	12,827.50	30.67%	3,934.20	69.33%	8,893.31
72	GRAND	EAST GRAND 2	12.0	2,247.77	26,973.20	0.00%	0.00	100.00%	26,973.20
73	GUNNISON	GUNNISON WATERSHED RE1J	29.0	2,237.26	64,880.50	12.32%	7,991.20	87.68%	56,889.30
74	HINSDALE	HINSDALE COUNTY RE 1	3.0	4,690.05	14,070.15	0.00%	0.00	100.00%	14,070.15
75	HUERFANO	HUERFANO RE-1	27.0	2,385.58	64,410.74	31.26%	20,134.29	68.74%	44,276.45
76	HUERFANO	LA VETA RE-2	13.0	2,934.99	38,154.87	58.61%	22,363.74	41.39%	15,791.13

COLORADO PRESCHOOL PROGRAM FUNDING--FISCAL YEAR 1996

COUNTY	DISTRICT		PRESCHOOL STUDENTS	PER PUPIL FUNDING	TOTAL PRESCHOOL FUNDING	% STATE SHARE	STATE FUNDS	% LOCAL SHARE	LOCAL FUNDS
77	JACKSON	NORTH PARK R-1	10.0	2,869.32	28,693.19	49.56%	14,221.16	50.44%	14,472.03
78	JEFFERSON	JEFFERSON COUNTY R-1	590.0	2,175.81	1,283,726.82	55.96%	718,413.47	44.04%	565,313.35
79	KIOWA	EADS RE-1	24.0	2,770.79	66,498.99	49.55%	32,949.10	50.45%	33,549.89
80	KIOWA	PLAINVIEW RE-2	0.0	4,144.79	0.00	27.33%	0.00	72.67%	0.00
81	KIT CARSON	ARRIBA-FLAGLER C-20	8.0	3,174.01	25,392.06	53.55%	13,597.68	46.45%	11,794.38
82	KIT CARSON	HI-PLAINS R-23	0.0	3,853.00	0.00	68.47%	0.00	31.53%	0.00
83	KIT CARSON	STRATTON R-4	10.0	2,823.33	28,233.28	72.95%	20,596.67	27.05%	7,636.61
84	KIT CARSON	BETHUNE R-5	4.0	3,961.59	15,846.36	72.17%	11,436.11	27.83%	4,410.25
85	KIT CARSON	BURLINGTON RE-6J	23.0	2,209.73	50,823.78	60.86%	30,930.59	39.14%	19,893.19
86	LAKE	LAKE COUNTY R-1	42.0	2,282.06	95,846.70	64.11%	61,445.17	35.89%	34,401.53
87	LA PLATA	DURANGO 9-R	93.0	2,174.75	202,252.01	23.44%	47,406.48	76.56%	154,845.53
88	LA PLATA	BAYFIELD 10 JT-R	15.0	2,369.99	35,549.92	31.25%	11,107.77	68.75%	24,442.15
89	LA PLATA	IGNACIO 11 JT	15.0	2,420.21	36,303.18	45.75%	16,609.03	54.25%	19,694.15
90	LARIMER	POUDRE R-1	67.0	2,074.02	138,959.50	49.96%	69,426.03	50.04%	69,533.47
91	LARIMER	THOMPSON R-2J	75.0	2,073.06	155,479.54	65.74%	102,210.75	34.26%	53,268.79
92	LARIMER	PARK (ESTES PARK) R-3	8.0	2,324.69	18,597.49	0.00%	0.00	100.00%	18,597.49
93	LAS ANIMAS	TRINIDAD 1	75.0	2,305.40	172,905.07	77.56%	134,113.18	22.44%	38,791.90
94	LAS ANIMAS	PRIMERO REORGANIZED 2	0.0	3,672.51	0.00	59.40%	0.00	40.60%	0.00
95	LAS ANIMAS	HOEHNE REORGANIZED 3	0.0	2,770.74	0.00	65.71%	0.00	34.29%	0.00
96	LAS ANIMAS	AGUILAR REORGANIZED 6	0.0	3,746.53	0.00	67.98%	0.00	32.02%	0.00
97	LAS ANIMAS	BRANSON REORGANIZED 82	0.0	4,479.94	0.00	32.58%	0.00	67.42%	0.00
98	LAS ANIMAS	KIM REORGANIZED 88	0.0	4,178.93	0.00	63.21%	0.00	36.79%	0.00
99	LINCOLN	GENOA-HUGO C113	7.0	3,208.52	22,459.66	56.44%	12,675.41	43.56%	9,784.25
100	LINCOLN	LIMON RE-4J	19.0	2,289.72	43,504.73	70.82%	30,810.31	29.18%	12,694.42
101	LINCOLN	KARVAL RE-23	0.0	4,215.08	0.00	77.93%	0.00	22.07%	0.00
102	LOGAN	VALLEY RE-1	30.0	2,130.79	63,923.65	68.33%	43,680.32	31.67%	20,243.33
103	LOGAN	FRENCHMAN RE-3	11.0	3,674.97	40,424.70	77.86%	31,476.60	22.14%	8,948.10
104	LOGAN	BUFFALO RE-4	8.0	3,018.94	24,151.53	80.99%	19,559.24	19.01%	4,592.29
105	LOGAN	PLATEAU RE-5	0.0	3,968.17	0.00	65.45%	0.00	34.55%	0.00
106	MESA	DE BEQUE 49JT	11.0	3,906.10	42,967.15	23.45%	10,076.13	76.55%	32,891.02
107	MESA	PLATEAU VALLEY 50	10.0	2,426.86	24,268.58	65.56%	15,910.24	34.44%	8,358.34
108	MESA	MESA COUNTY VALLEY 51	154.0	2,073.63	319,338.88	70.00%	223,531.86	30.00%	95,807.02
109	MINERAL	CREEDE CONSOLIDATED 1	6.0	4,237.18	25,423.09	43.87%	11,153.05	56.13%	14,270.04
110	MOFFAT	MOFFAT COUNTY RE:NO 1	40.0	2,100.00	84,000.00	0.00%	0.00	100.00%	84,000.00
111	MONTEZUMA	MONTEZUMA-CORTEZ RE-1	70.0	2,099.50	146,965.35	61.40%	90,237.43	38.60%	56,727.91
112	MONTEZUMA	DOLORES RE-4A	12.0	2,416.92	29,003.05	71.91%	20,855.55	28.09%	8,147.50
113	MONTEZUMA	MANCOS RE-6	0.0	2,417.95	0.00	75.31%	0.00	24.69%	0.00
114	MONTROSE	MONTROSE COUNTY RE-1J	45.0	2,142.99	96,434.33	69.37%	66,897.49	30.63%	29,536.84

COLORADO PRESCHOOL PROGRAM FUNDING--FISCAL YEAR 1996

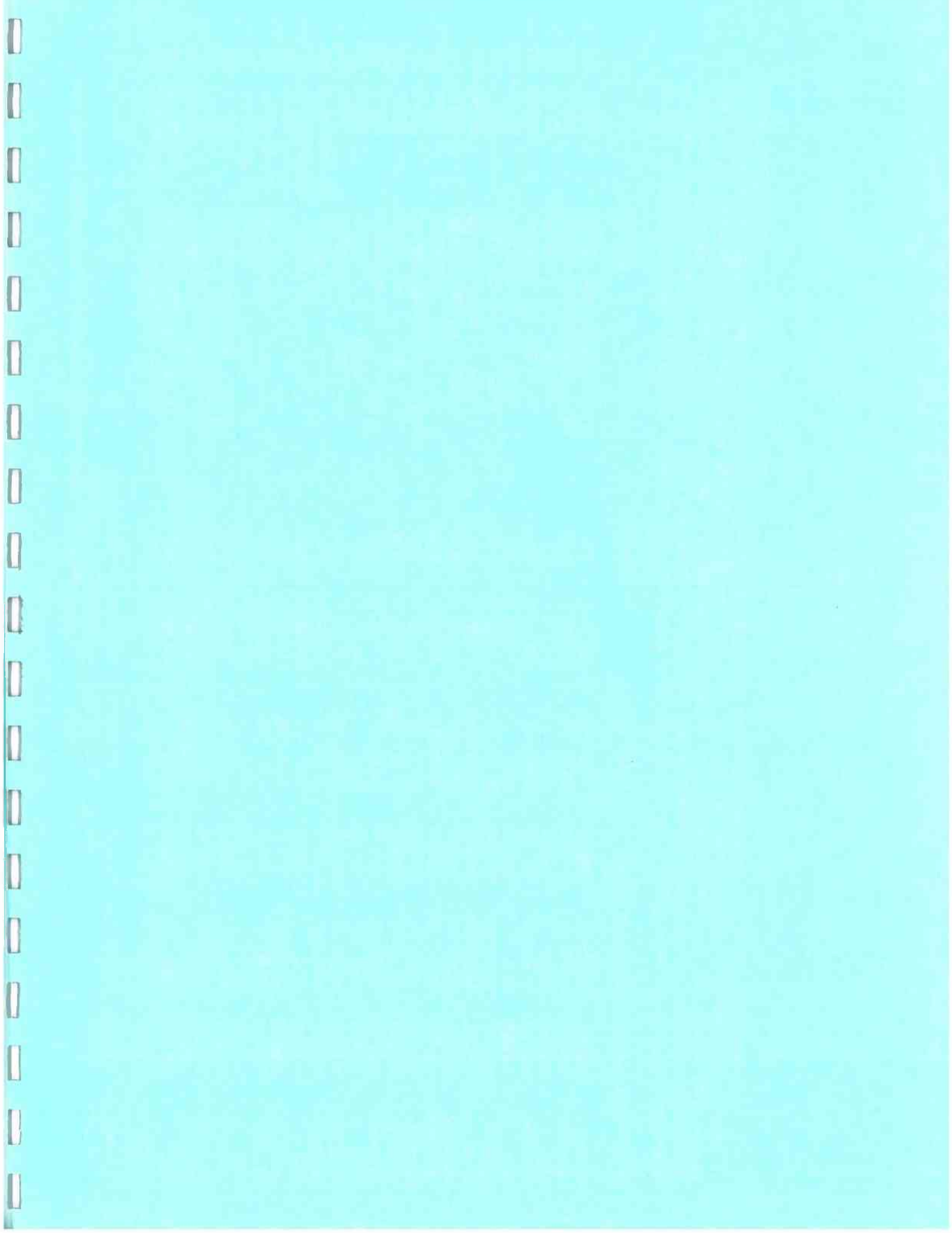
COUNTY	DISTRICT		PRESCHOOL STUDENTS	PER PUPIL FUNDING	TOTAL PRESCHOOL FUNDING	% STATE SHARE	STATE FUNDS	% LOCAL SHARE	LOCAL FUNDS
115	MONTROSE	WEST END RE-2	15.0	2,532.21	37,983.14	55.33%	21,015.56	44.67%	16,967.58
116	MORGAN	BRUSH RE-2(J)	12.0	2,282.72	27,392.61	20.02%	5,484.01	79.98%	21,908.60
117	MORGAN	FORT MORGAN RE-3	35.0	2,183.23	76,413.21	70.13%	53,587.87	29.87%	22,825.33
118	MORGAN	WELDON VALLEY RE-20(J)	0.0	4,278.66	0.00	75.33%	0.00	24.67%	0.00
119	MORGAN	WIGGINS RE-50(J)	12.0	2,482.97	29,795.65	65.79%	19,603.66	34.21%	10,191.99
120	OTERO	EAST OTERO R-1	122.0	2,216.34	270,393.22	83.39%	225,475.11	16.61%	44,918.11
121	OTERO	ROCKY FORD R-2	0.0	2,314.87	0.00	86.18%	0.00	13.82%	0.00
122	OTERO	MANZANOLA 3J	0.0	2,844.82	0.00	94.03%	0.00	5.97%	0.00
123	OTERO	FOWLER R-4J	0.0	2,332.02	0.00	81.77%	0.00	18.23%	0.00
124	OTERO	CHERAW 31	0.0	3,313.52	0.00	92.08%	0.00	7.92%	0.00
125	OTERO	SWINK 33	0.0	2,569.84	0.00	89.67%	0.00	10.33%	0.00
126	OURAY	OURAY R-1	0.0	3,686.51	0.00	54.28%	0.00	45.72%	0.00
127	OURAY	RIDGWAY R-2	0.0	3,306.53	0.00	47.62%	0.00	52.38%	0.00
128	PARK	PLATTE CANYON 1	12.0	2,295.18	27,542.21	69.03%	19,011.06	30.97%	8,531.15
129	PARK	PARK COUNTY RE-2--NOTE 2	0.0	2,569.18	0.00	0.00%	0.00	100.00%	0.00
130	PHILLIPS	HOLYOKE RE-1J	0.0	2,303.41	0.00	58.30%	0.00	41.70%	0.00
131	PHILLIPS	HAXTUN RE-2J	0.0	2,695.07	0.00	65.74%	0.00	34.26%	0.00
132	PITKIN	ASPEN 1	0.0	2,954.59	0.00	0.00%	0.00	100.00%	0.00
133	PROWERS	GRANADA RE-1	0.0	2,793.00	0.00	81.10%	0.00	18.90%	0.00
134	PROWERS	LAMAR RE-2	80.0	2,162.21	172,976.79	78.11%	135,103.53	21.89%	37,873.26
135	PROWERS	HOLLY RE-3	15.0	2,232.65	33,489.81	72.24%	24,193.03	27.76%	9,296.77
136	PROWERS	WILEY RE-13 JT	18.0	2,553.10	45,955.75	81.81%	37,595.07	18.19%	8,360.68
137	PUEBLO	PUEBLO CITY 60	295.0	2,114.33	623,728.56	72.69%	453,376.39	27.31%	170,352.17
138	PUEBLO	PUEBLO COUNTY RURAL 70	87.0	2,086.70	181,542.63	63.13%	114,600.85	36.87%	66,941.78
139	RIO BLANCO	MEEKER RE1	31.0	2,278.13	70,622.02	55.34%	39,080.59	44.66%	31,541.43
140	RIO BLANCO	RANGELY RE-4	12.0	2,228.25	26,739.01	44.81%	11,980.74	55.19%	14,758.27
141	RIO GRANDE	DEL NORTE C-7	45.0	2,309.93	103,946.63	70.15%	72,919.73	29.85%	31,026.90
142	RIO GRANDE	MONTE VISTA C-8	39.0	2,253.29	87,878.35	81.17%	71,331.01	18.83%	16,547.34
143	RIO GRANDE	SARGENT RE-33J	15.0	2,524.31	37,864.71	57.14%	21,637.72	42.86%	16,226.99
144	ROUTT	HAYDEN RE-1	14.0	2,535.78	35,500.96	24.77%	8,792.86	75.23%	26,708.10
145	ROUTT	STEAMBOAT SPRINGS RE-2	9.0	2,287.93	20,591.38	0.00%	0.00	100.00%	20,591.38
146	ROUTT	SOUTH ROUTT RE 3	7.0	2,690.61	18,834.24	22.79%	4,292.74	77.21%	14,541.50
147	SAGUACHE	MOUNTAIN VALLEY RE 1	0.0	3,638.59	0.00	71.47%	0.00	28.53%	0.00
148	SAGUACHE	MOFFAT 2	0.0	3,703.71	0.00	57.19%	0.00	42.81%	0.00
149	SAGUACHE	CENTER 26 JT	0.0	2,283.57	0.00	75.24%	0.00	24.76%	0.00
150	SAN JUAN	SILVERTON 1	0.0	4,258.39	0.00	37.46%	0.00	62.54%	0.00
151	SAN MIGUEL	TELLURIDE R-1	6.0	3,181.33	19,088.01	0.00%	0.00	100.00%	19,088.01
152	SAN MIGUEL	NORWOOD R-2J	14.0	2,570.44	35,986.21	69.98%	25,183.19	30.02%	10,803.01

COLORADO PRESCHOOL PROGRAM FUNDING--FISCAL YEAR 1996

COUNTY	DISTRICT	PRESCHOOL STUDENTS	PER PUPIL FUNDING	TOTAL PRESCHOOL FUNDING	% STATE SHARE	STATE FUNDS	% LOCAL SHARE	LOCAL FUNDS
153	SEDGWICK JULESBURG RE-1	15.0	2,343.11	35,146.72	63.52%	22,325.99	36.48%	12,820.73
154	SEDGWICK PLATTE VALLEY RE-3	0.0	3,911.89	0.00	62.28%	0.00	37.72%	0.00
155	SUMMIT SUMMIT RE-1	11.0	2,334.78	25,682.55	0.00%	0.00	100.00%	25,682.55
156	TELLER CRIPPLE CREEK-VICTOR RE-1	12.0	2,424.26	29,091.10	28.23%	8,213.80	71.77%	20,877.30
157	TELLER WOODLAND PARK RE-2	28.0	2,126.96	59,554.81	65.09%	38,762.66	34.91%	20,792.15
158	WASHINGTON AKRON R-1	0.0	2,271.84	0.00	64.41%	0.00	35.59%	0.00
159	WASHINGTON ARICKAREE R-2	4.0	4,067.60	16,270.41	36.43%	5,926.53	63.57%	10,343.88
160	WASHINGTON OTIS R-3	11.0	3,631.71	39,948.79	72.54%	28,977.76	27.46%	10,971.03
161	WASHINGTON LONE STAR 101	0.0	4,281.46	0.00	75.32%	0.00	24.68%	0.00
162	WASHINGTON WOODLIN R-104	4.0	4,057.73	16,230.91	42.38%	6,879.10	57.62%	9,351.81
163	WELD GILCREST RE-1	73.0	2,216.27	161,788.02	27.29%	44,159.64	72.71%	117,628.38
164	WELD EATON RE-2	0.0	2,232.56	0.00	63.94%	0.00	36.06%	0.00
165	WELD KEENESBURG RE-3(J)	25.0	2,263.43	56,585.87	56.84%	32,162.13	43.16%	24,423.74
166	WELD WINDSOR RE-4	46.0	2,161.07	99,409.11	33.68%	33,477.01	66.32%	65,932.10
167	WELD JOHNSTOWN-MILLIKEN RE-5J	9.0	2,233.38	20,100.41	70.43%	14,156.31	29.57%	5,944.10
168	WELD GREELEY 6	204.0	2,098.49	428,092.06	66.77%	285,824.83	33.23%	142,267.23
169	WELD PLATTE VALLEY RE-7	21.0	2,328.75	48,903.68	28.42%	13,900.39	71.58%	35,003.29
170	WELD FORT LUPTON RE-8	114.0	2,255.02	257,072.10	60.66%	155,937.31	39.34%	101,134.79
171	WELD AULT-HIGHLAND RE-9	9.0	2,285.97	20,573.75	66.75%	13,733.95	33.25%	6,839.79
172	WELD BRIGGSDALE RE-10	0.0	4,359.31	0.00	76.65%	0.00	23.35%	0.00
173	WELD PRAIRIE RE-11	8.0	4,110.03	32,880.22	56.76%	18,664.15	43.24%	14,216.07
174	WELD PAWNEE RE-12	0.0	4,268.54	0.00	55.55%	0.00	44.45%	0.00
175	YUMA WEST YUMA COUNTY RJ-1	20.0	2,359.10	47,181.93	47.80%	22,554.95	52.20%	24,626.98
176	YUMA EAST YUMA COUNTY RJ-2	16.0	2,267.88	36,286.11	51.37%	18,641.93	48.63%	17,644.18
TOTALS		6,500.0		\$14,679,094.82	53.46%	\$7,847,423.97	46.54%	\$6,831,670.84

NOTE 1: The Colorado Preschool Program is funded on a .5 pupil basis for each preschool student, since it is a part-time program. The "Per Pupil Funding" shown here represents funding for .5 pupil for each district as determined under the Public School Finance Act. For Fiscal Year 1996, districts were required to set aside \$101 of Per Pupil Funding for statutory reserves for each student funded through the Public School Finance Act. The remaining funds, referred to as "Per Pupil Operating Revenue," were available for program operations. Funding for the full-day kindergarten program is not reflected in this table.

NOTE 2: Park County RE-2 received state funding for the Colorado Preschool Program through Fremont County RE-1 in Fiscal Year 1996 of approximately \$20,000.



APPENDIX B

COLORADO PRESCHOOL PROGRAM FUNDING--FISCAL YEARS 1989 THROUGH 1996

COUNTY	DISTRICT	TOTAL FUNDS	% STATE SHARE	STATE FUNDS	% LOCAL SHARE	LOCAL FUNDS
1	ADAMS MAPLETON 1	\$335,835.21	52.88%	\$177,578.14	47.12%	\$158,257.07
2	ADAMS NORTHGLENN-THORNTON 12	975,319.88	72.70%	709,031.64	27.30%	266,288.24
3	ADAMS ADAMS COUNTY 14	1,671,778.66	61.56%	1,029,063.83	38.44%	642,714.83
4	ADAMS BRIGHTON 27J	535,703.32	63.30%	339,105.75	36.70%	196,597.57
5	ADAMS BENNETT 29J	44,794.96	61.70%	27,639.43	38.30%	17,155.53
6	ADAMS STRASBURG 31J	98,453.40	58.73%	57,821.80	41.27%	40,631.60
7	ADAMS WESTMINSTER 50	294,264.21	68.68%	202,110.44	31.32%	92,153.77
8	ALAMOSA ALAMOSA RE-11J	675,662.39	73.68%	497,842.99	26.32%	177,819.40
9	ALAMOSA SANGRE DE CRISTO RE-22J	0.00	n/a	0.00	n/a	0.00
10	ARAPAHOE ENGLEWOOD 1	341,914.23	55.29%	189,053.75	44.71%	152,860.48
11	ARAPAHOE SHERIDAN 2	234,816.27	54.83%	128,749.43	45.17%	106,066.84
12	ARAPAHOE CHERRY CREEK 5	760,572.89	38.46%	292,526.72	61.54%	468,046.17
13	ARAPAHOE LITTLETON 6	126,000.00	58.97%	74,307.23	41.03%	51,692.77
14	ARAPAHOE DEER TRAIL 26J	39,108.65	60.59%	23,697.29	39.41%	15,411.36
15	ARAPAHOE ADAMS-ARAPAHOE 28J	1,287,027.14	68.58%	882,617.03	31.42%	404,410.11
16	ARAPAHOE BYERS 32J	112,404.91	54.33%	61,064.56	45.67%	51,340.35
17	ARCHULETA ARCHULETA COUNTY 50 JT	0.00	n/a	0.00	n/a	0.00
18	BACA WALSH RE-1	0.00	n/a	0.00	n/a	0.00
19	BACA PRITCHETT RE-3	0.00	n/a	0.00	n/a	0.00
20	BACA SPRINGFIELD RE-4	772,971.89	59.10%	456,864.64	40.90%	316,107.25
21	BACA VILAS RE-5	0.00	n/a	0.00	n/a	0.00
22	BACA CAMPO RE-6	0.00	n/a	0.00	n/a	0.00
23	BENT LAS ANIMAS RE-1	0.00	n/a	0.00	n/a	0.00
24	BENT MC CLAVE RE-2	74,865.71	79.61%	59,603.76	20.39%	15,261.95
25	BOULDER ST VRAIN VALLEY RE 1J	125,903.30	55.84%	70,301.80	44.16%	55,601.50
26	BOULDER BOULDER VALLEY RE 2	1,482,546.43	21.63%	320,601.66	78.37%	1,161,944.77
27	CHAFFEE BUENA VISTA R-31	0.00	n/a	0.00	n/a	0.00
28	CHAFFEE SALIDA R-32	107,697.03	61.36%	66,077.73	38.64%	41,619.30
29	CHEYENNE KIT CARSON R-1	0.00	n/a	0.00	n/a	0.00
30	CHEYENNE CHEYENNE COUNTY RE-5	15,229.17	53.05%	8,079.20	46.95%	7,149.97
31	CLEAR CREEK CLEAR CREEK RE-1	95,510.47	22.98%	21,949.18	77.02%	73,561.29
32	CONEJOS NORTH CONEJOS RE-1J	0.00	n/a	0.00	n/a	0.00
33	CONEJOS SANFORD 6J	0.00	n/a	0.00	n/a	0.00
34	CONEJOS SOUTH CONEJOS RE-10	0.00	n/a	0.00	n/a	0.00
35	COSTILLA CENTENNIAL R-1	0.00	n/a	0.00	n/a	0.00
36	COSTILLA SIERRA GRANDE R-30	14,020.85	0.00%	0.00	100.00%	14,020.85
37	CROWLEY CROWLEY COUNTY RE-1-J	0.00	n/a	0.00	n/a	0.00
38	CUSTER CONSOLIDATED C-1	129,439.23	13.88%	17,969.58	86.12%	111,469.65

COLORADO PRESCHOOL PROGRAM FUNDING--FISCAL YEARS 1989 THROUGH 1996

COUNTY	DISTRICT	TOTAL FUNDS	% STATE SHARE	STATE FUNDS	% LOCAL SHARE	LOCAL FUNDS
39 DELTA	DELTA COUNTY 50(J)	0.00	n/a	0.00	n/a	0.00
40 DENVER	DENVER COUNTY 1	9,780,302.21	27.50%	2,689,396.25	72.50%	7,090,905.96
41 DOLORES	DOLORES COUNTY RE NO.2	0.00	n/a	0.00	n/a	0.00
42 DOUGLAS	DOUGLAS COUNTY RE 1	101,374.95	52.51%	53,231.24	47.49%	48,143.71
43 EAGLE	EAGLE COUNTY RE 50	80,587.46	0.00%	0.00	100.00%	80,587.46
44 ELBERT	ELIZABETH C-1	26,404.62	74.63%	19,706.84	25.37%	6,697.78
45 ELBERT	KIOWA C-2	0.00	n/a	0.00	n/a	0.00
46 ELBERT	BIG SANDY 100J	0.00	n/a	0.00	n/a	0.00
47 ELBERT	ELBERT 200	17,630.80	83.12%	14,654.68	16.88%	2,976.12
48 ELBERT	AGATE 300	47,266.79	35.69%	16,870.64	64.31%	30,396.16
49 EL PASO	CALHAN RJ-1	36,812.37	82.82%	30,487.96	17.18%	6,324.41
50 EL PASO	HARRISON 2	1,462,444.74	68.92%	1,007,980.16	31.08%	454,464.58
51 EL PASO	WIDEFIELD 3	0.00	n/a	0.00	n/a	0.00
52 EL PASO	FOUNTAIN 8	125,509.62	87.95%	110,390.41	12.05%	15,119.21
53 EL PASO	COLORADO SPRINGS 11	1,784,052.33	53.31%	939,699.26	46.69%	844,353.07
54 EL PASO	CHEYENNE MOUNTAIN 12	0.00	n/a	0.00	n/a	0.00
55 EL PASO	MANITOU SPRINGS 14	0.00	n/a	0.00	n/a	0.00
56 EL PASO	ACADEMY 20	0.00	n/a	0.00	n/a	0.00
57 EL PASO	ELLCOTT 22	0.00	n/a	0.00	n/a	0.00
58 EL PASO	PEYTON 23 JT	0.00	n/a	0.00	n/a	0.00
59 EL PASO	HANOVER 28	0.00	n/a	0.00	n/a	0.00
60 EL PASO	LEWIS-PALMER 38	0.00	n/a	0.00	n/a	0.00
61 EL PASO	FALCON 49	0.00	n/a	0.00	n/a	0.00
62 EL PASO	EDISON 54 JT	0.00	n/a	0.00	n/a	0.00
63 EL PASO	MIAMI/YODER 60 JT	0.00	n/a	0.00	n/a	0.00
64 FREMONT	CANON CITY RE-1	468,485.59	68.87%	322,659.00	31.13%	145,826.58
65 FREMONT	FLORENCE RE-2	0.00	n/a	0.00	n/a	0.00
66 FREMONT	COTOPAXI RE-3	0.00	n/a	0.00	n/a	0.00
67 GARFIELD	ROARING FORK RE-1	149,236.67	29.31%	43,747.20	70.69%	105,489.47
68 GARFIELD	GARFIELD RE-2	12,936.64	72.03%	9,318.36	27.97%	3,618.28
69 GARFIELD	GARFIELD 16	0.00	n/a	0.00	n/a	0.00
70 GILPIN	GILPIN COUNTY RE-1	0.00	n/a	0.00	n/a	0.00
71 GRAND	WEST GRAND 1-JT.	12,827.50	30.67%	3,934.20	69.33%	8,893.31
72 GRAND	EAST GRAND 2	121,134.67	0.31%	380.20	99.69%	120,754.48
73 GUNNISON	GUNNISON WATERSHED RE1J	64,880.50	12.32%	7,991.20	87.68%	56,889.30
74 HINSDALE	HINSDALE COUNTY RE 1	103,904.81	0.85%	886.11	99.15%	103,018.70
75 HUERFANO	HUERFANO RE-1	489,327.40	9.41%	46,063.76	90.59%	443,263.64
76 HUERFANO	LA VETA RE-2	38,154.87	58.61%	22,363.74	41.39%	15,791.13

See NOTE 2.

COLORADO PRESCHOOL PROGRAM FUNDING--FISCAL YEARS 1989 THROUGH 1996

COUNTY	DISTRICT	TOTAL FUNDS	% STATE SHARE	STATE FUNDS	% LOCAL SHARE	LOCAL FUNDS
77	JACKSON NORTH PARK R-1	120,465.05	37.39%	45,038.34	62.61%	75,426.72
78	JEFFERSON JEFFERSON COUNTY R-1	4,912,462.85	54.22%	2,663,475.12	45.78%	2,248,987.73
79	KIOWA EADS RE-1	83,036.44	48.04%	39,888.98	51.96%	43,147.47
80	KIOWA PLAINVIEW RE-2	0.00	n/a	0.00	n/a	0.00
81	KIT CARSON ARRIBA-FLAGLER C-20	90,859.09	51.08%	46,408.06	48.92%	44,451.03
82	KIT CARSON HI-PLAINS R-23	0.00	n/a	0.00	n/a	0.00
83	KIT CARSON STRATTON R-4	155,566.89	65.52%	101,919.91	34.48%	53,646.98
84	KIT CARSON BETHUNE R-5	15,846.36	72.17%	11,436.11	27.83%	4,410.25
85	KIT CARSON BURLINGTON RE-6J	228,390.61	57.00%	130,177.07	43.00%	98,213.54
86	LAKE LAKE COUNTY R-1	662,824.95	46.82%	310,357.95	53.18%	352,467.00
87	LA PLATA DURANGO 9-R	391,248.41	23.48%	91,873.54	76.52%	299,374.87
88	LA PLATA BAYFIELD 10 JT-R	35,549.92	31.25%	11,107.77	68.75%	24,442.15
89	LA PLATA IGNACIO 11 JT	36,303.18	45.75%	16,609.03	54.25%	19,694.15
90	LARIMER POUDRE R-1	450,429.92	47.18%	212,532.43	52.82%	237,897.49
91	LARIMER THOMPSON R-2J	596,203.85	64.22%	382,869.22	35.78%	213,334.63
92	LARIMER PARK (ESTES PARK) R-3	92,871.00	0.23%	298.96	99.77%	92,572.04
93	LAS ANIMAS TRINIDAD 1	756,440.27	76.95%	582,058.26	23.05%	174,382.01
94	LAS ANIMAS PRIMERO REORGANIZED 2	0.00	n/a	0.00	n/a	0.00
95	LAS ANIMAS HOEHNE REORGANIZED 3	0.00	n/a	0.00	n/a	0.00
96	LAS ANIMAS AGUILAR REORGANIZED 6	0.00	n/a	0.00	n/a	0.00
97	LAS ANIMAS BRANSON REORGANIZED 82	0.00	n/a	0.00	n/a	0.00
98	LAS ANIMAS KIM REORGANIZED 88	0.00	n/a	0.00	n/a	0.00
99	LINCOLN GENOA-HUGO C:113	94,288.64	49.87%	47,019.41	50.13%	47,269.23
100	LINCOLN LIMON RE-4J	142,270.86	60.21%	85,663.53	39.79%	56,607.33
101	LINCOLN KARVAL RE-23	0.00	n/a	0.00	n/a	0.00
102	LOGAN VALLEY RE-1	235,052.26	65.13%	153,089.95	34.87%	81,962.31
103	LOGAN FRENCHMAN RE-3	73,388.52	77.27%	56,705.11	22.73%	16,683.41
104	LOGAN BUFFALO RE-4	48,446.88	76.80%	37,207.64	23.20%	11,239.23
105	LOGAN PLATEAU RE-5	0.00	n/a	0.00	n/a	0.00
106	MESA DE BEQUE 49JT	153,912.07	14.10%	21,705.93	85.90%	132,206.13
107	MESA PLATEAU VALLEY 50	101,211.71	65.22%	66,014.04	34.78%	35,197.67
108	MESA MESA COUNTY VALLEY 51	1,922,748.39	67.85%	1,303,910.00	32.15%	618,838.39
109	MINERAL CREEDE CONSOLIDATED 1	50,811.84	38.21%	19,415.39	61.79%	31,396.45
110	MOFFAT MOFFAT COUNTY RE:NO 1	165,700.78	0.00%	0.00	100.00%	165,700.78
111	MONTEZUMA MONTEZUMA-CORTEZ RE-1	659,425.01	46.43%	306,202.97	53.57%	353,222.05
112	MONTEZUMA DOLORES RE-4A	102,116.44	70.69%	72,182.39	29.31%	29,934.05
113	MONTEZUMA MANCOS RE-6	0.00	n/a	0.00	n/a	0.00
114	MONTROSE MONTROSE COUNTY RE-1J	469,659.99	68.45%	321,481.53	31.55%	148,178.47

COLORADO PRESCHOOL PROGRAM FUNDING--FISCAL YEARS 1989 THROUGH 1996

COUNTY	DISTRICT		TOTAL FUNDS	% STATE SHARE	STATE FUNDS	% LOCAL SHARE	LOCAL FUNDS
115	MONTROSE	WEST END RE-2	107,293.28	51.65%	55,421.53	48.35%	51,871.75
116	MORGAN	BRUSH RE-2(J)	160,635.14	6.37%	10,229.78	93.63%	150,405.36
117	MORGAN	FORT MORGAN RE-3	330,952.39	66.64%	220,532.25	33.36%	110,420.13
118	MORGAN	WELDON VALLEY RE-20(J)	0.00	n/a	0.00	n/a	0.00
119	MORGAN	WIGGINS RE-50(J)	54,046.54	63.95%	34,560.72	36.05%	19,485.82
120	OTERO	EAST OTERO R-1	997,407.97	81.63%	814,229.91	18.37%	183,178.07
121	OTERO	ROCKY FORD R-2	0.00	n/a	0.00	n/a	0.00
122	OTERO	MANZANOLA 3J	0.00	n/a	0.00	n/a	0.00
123	OTERO	FOWLER R-4J	0.00	n/a	0.00	n/a	0.00
124	OTERO	CHERAW 31	0.00	n/a	0.00	n/a	0.00
125	OTERO	SWINK 33	0.00	n/a	0.00	n/a	0.00
126	OURAY	OURAY R-1	0.00	n/a	0.00	n/a	0.00
127	OURAY	RIDGWAY R-2	0.00	n/a	0.00	n/a	0.00
128	PARK	PLATTE CANYON 1	54,500.32	69.56%	37,909.85	30.44%	16,590.48
129	PARK	PARK COUNTY RE-2	0.00	n/a	0.00	n/a	0.00
130	PHILLIPS	HOLYOKE RE-1J	0.00	n/a	0.00	n/a	0.00
131	PHILLIPS	HAXTUN RE-2J	0.00	n/a	0.00	n/a	0.00
132	PITKIN	ASPEN 1	0.00	n/a	0.00	n/a	0.00
133	PROWERS	GRANADA RE-1	0.00	n/a	0.00	n/a	0.00
134	PROWERS	LAMAR RE-2	818,896.23	74.56%	610,549.94	25.44%	208,346.29
135	PROWERS	HOLLY RE-3	78,334.91	67.65%	52,992.52	32.35%	25,342.39
136	PROWERS	WILEY RE-13 JT	76,810.43	77.81%	59,764.29	22.19%	17,046.14
137	PUEBLO	PUEBLO CITY 60	3,791,753.06	71.49%	2,710,615.59	28.51%	1,081,137.47
138	PUEBLO	PUEBLO COUNTY RURAL 70	505,807.52	60.03%	303,633.66	39.97%	202,173.86
139	RIO BLANCO	MEEKER RE1	115,109.53	53.29%	61,341.50	46.71%	53,768.03
140	RIO BLANCO	RANGELY RE-4	286,520.06	5.55%	15,898.74	94.45%	270,621.33
141	RIO GRANDE	DEL NORTE C-7	180,450.76	65.12%	117,505.17	34.88%	62,945.59
142	RIO GRANDE	MONTE VISTA C-8	350,720.16	77.04%	270,199.38	22.96%	80,520.78
143	RIO GRANDE	SARGENT RE-33J	37,864.71	57.14%	21,637.72	42.86%	16,226.99
144	ROUTT	HAYDEN RE-1	131,764.52	13.36%	17,605.18	86.64%	114,159.34
145	ROUTT	STEAMBOAT SPRINGS RE-2	53,149.44	2.12%	1,125.89	97.88%	52,023.55
146	ROUTT	SOUTH ROUTT RE 3	29,521.91	20.22%	5,968.22	79.78%	23,553.68
147	SAGUACHE	MOUNTAIN VALLEY RE 1	0.00	n/a	0.00	n/a	0.00
148	SAGUACHE	MOFFAT 2	0.00	n/a	0.00	n/a	0.00
149	SAGUACHE	CENTER 26 JT	0.00	n/a	0.00	n/a	0.00
150	SAN JUAN	SILVERTON 1	0.00	n/a	0.00	n/a	0.00
151	SAN MIGUEL	TELLURIDE R-1	19,088.01	0.00%	0.00	100.00%	19,088.01
152	SAN MIGUEL	NORWOOD R-2J	35,986.21	69.98%	25,183.19	30.02%	10,803.01

See NOTE 2.

COLORADO PRESCHOOL PROGRAM FUNDING--FISCAL YEARS 1989 THROUGH 1996

COUNTY	DISTRICT	TOTAL FUNDS	% STATE SHARE	STATE FUNDS	% LOCAL SHARE	LOCAL FUNDS
153	SEDGWICK JULESBURG RE-1	155,211.37	60.13%	93,333.11	39.87%	61,878.26
154	SEDGWICK PLATTE VALLEY RE-3	0.00	n/a	0.00	n/a	0.00
155	SUMMIT SUMMIT RE-1	25,682.55	0.00%	0.00	100.00%	25,682.55
156	TELLER CRIPPLE CREEK-VICTOR RE-1	50,491.06	26.81%	13,537.55	73.19%	36,953.52
157	TELLER WOODLAND PARK RE-2	59,554.81	65.09%	38,762.66	34.91%	20,792.15
158	WASHINGTON AKRON R-1	0.00	n/a	0.00	n/a	0.00
159	WASHINGTON ARICKAREE R-2	16,270.41	36.43%	5,926.53	63.57%	10,343.88
160	WASHINGTON OTIS R-3	39,948.79	72.54%	28,977.76	27.46%	10,971.03
161	WASHINGTON LONE STAR 101	0.00	n/a	0.00	n/a	0.00
162	WASHINGTON WOODLIN R-104	45,929.28	36.46%	16,744.23	63.54%	29,185.05
163	WELD GILCREST RE-1	813,523.75	29.62%	240,941.29	70.38%	572,582.46
164	WELD EATON RE-2	0.00	n/a	0.00	n/a	0.00
165	WELD KEENESBURG RE-3(J)	76,640.23	56.76%	43,498.46	43.24%	33,141.77
166	WELD WINDSOR RE-4	375,040.77	30.35%	113,841.81	69.65%	261,198.96
167	WELD JOHNSTOWN-MILLIKEN RE-5J	40,183.11	67.45%	27,101.84	32.55%	13,081.27
168	WELD GREELEY 6	2,836,221.95	64.00%	1,815,197.87	36.00%	1,021,024.07
169	WELD PLATTE VALLEY RE-7	263,375.89	28.00%	73,754.69	72.00%	189,621.20
170	WELD FORT LUPTON RE-8	837,299.51	56.11%	469,824.61	43.89%	367,474.90
171	WELD AULT-HIGHLAND RE-9	41,275.70	62.21%	25,678.45	37.79%	15,597.25
172	WELD BRIGGS DALE RE-10	0.00	n/a	0.00	n/a	0.00
173	WELD PRAIRIE RE-11	32,880.22	56.76%	18,664.15	43.24%	14,216.07
174	WELD PAWNEE RE-12	0.00	n/a	0.00	n/a	0.00
175	YUMA WEST YUMA COUNTY RJ-1	47,181.93	47.80%	22,554.95	52.20%	24,626.98
176	YUMA EAST YUMA COUNTY RJ-2	36,286.11	51.37%	18,641.93	48.63%	17,644.18
TOTALS		\$52,132,257.43	51.22%	\$26,703,954.35	48.78%	\$25,428,303.08

NOTE 1: The Colorado Preschool Program is funded on a .5 pupil basis for each preschool student, since it is a part-time program. The funding shown here is based on "Per Pupil Funding" for .5 pupil for each district as determined under the Public School Finance Act for Fiscal Years 1989 through 1996. For each fiscal year, districts are required to set aside specified amounts for statutory reserves for each student funded through the Public School Finance Act. In Fiscal Year 1989 these statutory reserves were \$100 for each Colorado Preschool Program student; for Fiscal Years 1990 through 1996, required statutory reserves were \$101 per preschool student. The remaining funds, referred to as "Per Pupil Operating Revenue," were available for program operations. State and local shares are average percentages over the period during which the district received Colorado Preschool Program funding. Funding for the full-day kindergarten program, which began in Fiscal Year 1996 under the Colorado Preschool Program Act, is not reflected in this table.

NOTE 2: Park County RE-2 received state funding for the Colorado Preschool Program through Fremont County RE-1 in Fiscal Years 1995 and 1996 for a total of approximately \$30,500.



Distribution

Copies of this report have been distributed to:

Legislative Audit Committee (12)

Department of Education (8)

Joint Budget Committee (3)

Department of Personnel
d.b.a. General Support Services
Executive Director (2)
State Controller (2)

Honorable Roy R. Romer, Governor

Office of State Planning and Budgeting (2)

Depository Center, Colorado State Library (4)

Joint Legislative Library (6)

State Archivist (permanent copy)

National Conference of State Legislatures

Legislative Legal Services

Auraria Library

Colorado State University Library

Copies of the report summary have been distributed to:

Members of the National Legislative Program Evaluation Society

Members of the Colorado General Assembly

National Association of State Auditors, Comptrollers, and Treasurers

Report Control Number 12267

RECEIVED

AUG 19 1996

STATE PUBLICATIONS
Colorado State Library

Report Control Number 12267

