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## **10.0 FINANCIAL PLANNING FOR A FIRSTSCHOOL FACILITY**

**In this chapter we present information on funding capital construction and renovations for schools serving young children.**







## FINANCIAL PLANNING

### 10.1 Financial Planning for FirstSchool Buildings

Many communities across the United States are providing publicly-funded pre-kindergarten programs. The pre-kindergarten classrooms are often in school settings and staffed by school employees<sup>1</sup>. Yet, most often the education of preschool aged children is not paid for through the typical combination of local, state, and federal funding mechanisms used to finance education for the kindergarten through twelfth grade population. Instead, a complex blend of funding from various agencies (each with differing fiscal requirements) is used to pay for these new school services. Furthermore, since these very young children have needs that are different from those of older children, the services themselves are somewhat different in ways that have cost implications. This unique population of students places new requirements on program administrators as they seek to provide optimal programs for these young children in a school setting.

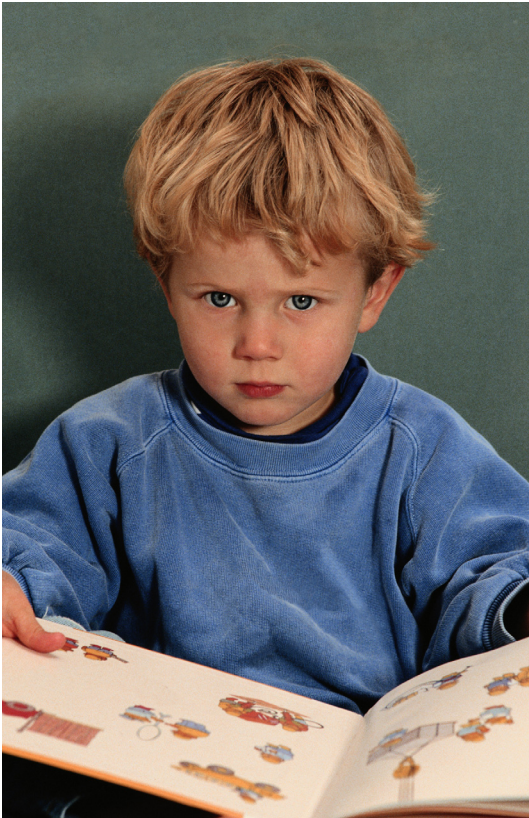
### 10.2 Funding Capital Construction Costs

While the funding for operational costs is often from a mix of federal, state, and local funding sources, rarely is there a corresponding mix of funding available for financing construction or the major renovations many existing schools require in order to provide appropriate space for the early childhood programs. Most often, school districts serving children in pre-kindergarten programs finance construction and renovation costs from the same sources used for other kindergarten through twelfth grade facilities. A few states have special provisions for assisting with financing construction of facilities for pre-kindergarten services. New Jersey and Connecticut, for example, both have such provisions<sup>2</sup>.

For most local school districts, however, financing of such facilities will be accomplished through normal school financing mechanisms. This means accessing state funds for construction or relying on local bond issues. For example, Charlotte-Mecklenburg school system in North Carolina has financed renovation of older schools as special pre-kindergarten centers and has added pre-kindergarten classrooms to elementary school buildings under recent construction bonds for some 3,000 preschoolers served in the district. It has recently secured additional funding in a bond referendum to construct a new pre-kindergarten facility to address a higher than expected demand for its program. Increasingly schools are including pre-kindergarten classrooms in their standard plans for elementary school buildings.

Increasingly, schools are being seen as general community resources with libraries and media centers designed for beyond normal use by the children in the school; with playgrounds designed for community as well as school use; and with meeting spaces available for non school uses. In such cases enhanced funding to enable spaces to be designed for multiple use and users may come from county or city general revenues or bonds, or from special funding sources specifically aimed at community development.

In addition to the normal state and local school construction financing model, a few special initiatives exist specifically for facilities for young children. There are provisions under federal Head Start regulations that allow Head Start funds to be used to finance a portion of the capital costs for facilities serving Head Start children. School districts which are Head Start grantees have the ability to access Head Start funds to pay a



portion of the costs of facilities serving children in the program, even when the facility serves other children as well. Details on the Head Start options are available at: <http://eclkc.ohs.acf.hhs.gov/hslc/Program%20Design%20and%20Management/FiscalProcurement%20Standards>.

### 10.3 Issues in Financing Schools Serving Younger Children

Financing construction for preschool aged children can be difficult. In districts with a declining population, renovation of existing buildings to serve younger children can be seen as an effective use of public facilities. However, more often districts are under intense pressure to increase the total capacity of the school system to meet the needs of an increasing population. Building pre-kindergarten classrooms may be seen as competing with the funding needs of older children. This is potentially a major issue; in one district where we have worked it became insurmountable. The building being proposed was to house children ages three to seven years of age. However, the school board only considered the official school age population when considering the extent to which the proposed building would increase district capacity. Thus, when the total cost of the facility was calculated, the per-child cost was determined using only the number of children, ages five to seven, who would be using the space, making the per child cost appear much higher than if the full number of children using the space was considered.

Despite the long waiting list for pre-kindergarten slots in the district, board support for the concepts and goals of the project, and the additional financial relief that this particular project would have offered the district the board rejected the proposal.

### 10.4 Special Issues in Constructing Buildings for 3 and 4 Year Olds

Particular attention must be given to designing spaces that, in fact, meet the full range of needs of the youngest children served. This publication describes elements of facilities that are key to successful programming for young children in the school environment. Often, special regulations are in effect for programs that serve Head Start children, children receiving child care subsidies, or other special funds. These regulations may call for special provisions on the playground, toilet facilities, meal and snack preparation, and dining areas, as well as entry and exit requirements. The amount of classroom space required per child may be greater than that found in many kindergarten through twelfth grade classrooms, and more staff may need to be accommodated per classroom than is the case with older children. In addition, there is a greater need for dedicated spaces for families in the facility, to promote the necessary relationship between programs and families of young children. Provisions within the facility which foster close working relationships with community agencies, including health, social services, mental health, and other core community agencies are also advantageous. These provisions may include co-location of services at the school site. These are but a few of the specific provisions needed in facilities serving children below the traditional age of entry to school. The model program described in this document provides numerous examples of how such provisions may be combined in a school setting.

Endnotes:

- 1 Clifford, Early & Hills, 1999.
- 2 Sussman and Gillman, 2007.