

Braided Funding Cost Allocation Guidance

Traditionally, the Great Start Readiness Program (GSRP) has required a straightforward cost allocation method for braided-funding classrooms. As GSRP per-child allocations have increased over the past few years and we look toward the governor's goal of prekindergarten for all four-year-olds, that method has become a barrier to expansion. This guidance has been developed to alleviate that barrier and ease the burden on programs braiding GSRP funding with other sources*.

As noted in the Budget section of the GSRP Implementation Manual, beginning in fiscal year 2024, as outlined in Section 32d(15) of Public Act 103 of 2023, materials and supplies purchased for GSRP may be used by other activities within an ISD or CBO program facility receiving funding from other state, local, or regional awards. The provision applies to materials and supplies only; equipment purchases, salaries, or other services are excluded. Examples include activities funded by Section 31a or 32p funding, local government funding, or scholarship sources. Materials and supplies purchased for GSRP may not be utilized to supplant federally funded activities.

In addition to the above provision in legislation and to further support expansion occurring through the braiding funds, the following additional flexibilities are allowable:

When even one child in a classroom is funded through GSRP, all GSRP requirements must be followed including staff credentialing, curriculum, assessment, family engagement, etc. Therefore, **GSRP funds can be used to pay for the cost of implementing the GSRP requirements**, including:

- Professional learning for classroom staff and administrators, outside of what is necessary for child care licensing. Specifically, professional learning for curriculum, child assessment, and screening, and any professional learning required for GSRP by the ISD. Costs may include registration, travel, staff time, and substitutes.
- Purchase of curriculum or assessment materials approved for GSRP.
- Salaries and benefits for a third person in a classroom with 17 or 18 children.
- The documented difference between the salaries for GSRP-qualified teacher and associate teacher compared to the salaries for other program teachers and associate teachers.
- An additional portion of administrator salaries for GSRP-specific duties.

Additionally, a tuition program offering GSRP may experience lost revenue because of the requirement to limit group size to 16 children with two adults or 18 children with three adults. **The Lost Revenue Calculation Template can be used to calculate the proportionate rate that includes a percentage for lost revenue.**

*Please note: State funds cannot be used to supplant federal funding of programs.

This guidance supersedes the following statement from the GSRP Implementation Manual:

Recruitment and Enrollment, page 6:

There must be documentation that tuition, other sources of cash, and/or in-kind funding are equivalent to the amount of state funding which supports each GSRP child (i.e., if audited the GSRP must be able to show that GSRP funds were not spent on children not eligible for GSRP, with the exception of supplies and materials) as specified in the Budget section.