

**Pathway II – Early Learning Scholarships  
Frequently Asked Questions from Programs  
February 23, 2015**

This document contains answers and/or guidance to some frequently asked questions regarding the implementation of Pathway II scholarships. These answers are in accordance with current law; should the Early Learning Scholarship law change effective July 1, 2015 some answers below may change. This form is also intended to be updated as new questions arise or as new information becomes available. Be sure to note the date of this document, as the information in this version supersedes previous versions.

**A. Identifying, Determining Eligibility and Enrolling Children as Pathway II – Early Learning Scholarship Recipients**

**1. Do we need to identify children who receive Pathway II scholarships?**

Yes. Children are identified through the Pathway II – Early Learning Scholarship Award form. Programs must have a parent complete and sign this form, determine family income eligibility and child-age eligibility, then award the scholarship to the approved child/family. Then the program/provider must send a copy of this form to their regional administrator. Since the Pathway II scholarships are paid to programs as reimbursements for expenses associated with a Pathway II scholarship recipient, your regional administrator must ensure the families are included into the scholarship database. With this in mind, completed award forms must be submitted to your administrator no later than 30 days after the award is signed and preferably sooner. Eligible families cannot receive more than one scholarship per child in a twelve-month period, so you want to ensure that the regional administrator has confirmed that the family is eligible for the scholarship from your program.

***Guidance***

- **Parents apply for Pathway II – Early Learning Scholarships through a Four Star Parent Aware rated program that has been allocated Pathway II scholarship funds. (In contrast, parents apply for Pathway I scholarships through regional administrators.)**
- **The program that has been allocated Pathway II funds determines the eligibility of the family and awards scholarships. An award form must be completed for each child receiving a Pathway II scholarship.**
- Programs/providers may help families complete the Pathway II – Early Learning Scholarship award form. Some areas of the award form (e.g. program information) may be filled out in advance, by the program. Others areas, like eligibility verification, are the responsibility of the program.

- **Ensure that the award form is complete and accurate.** Award forms are returned to programs if there is missing or inaccurate information. Some areas that are commonly missed are child birthdate, signatures and the eligibility checklist (marking how you determined eligibility).
- Send a copy of the completed award form to your regional administrator (**do not include copies of documents used to verify income eligibility**; keep the original for your records).

## **2. If we applied for Pathway II scholarships as a program, why do parents also need to apply?**

Pathway II scholarships are awarded to individual children, therefore families need to apply and their eligibility for the scholarship must be verified. The award forms are used by the state to identify scholarship recipients and make payments on behalf of each child to the program. The form is also used by regional administrators to prevent multiple awards of a scholarship to a child and to administer the payment system. Importantly, the award form also verifies the parent's informed acceptance of a scholarship and release information to the state and regional administrator.

### **Guidance**

- You may want to notify families of the benefits of receiving a Pathway II scholarship, especially if you are using your Pathway II funds for program or service enhancements. For example, "Our Pathway II- Early Learning Scholarships funds have enabled us to provide preschool to additional children, to have a literacy specialist in each classroom, and to utilize technology in our classrooms" (note, this is a simple example – you may want to be more descriptive).
- Scholarship funds must directly benefit a child receiving a scholarship. Other children may benefit from another child's scholarship, but the child with a scholarship must directly benefit.

## **3. How do we determine if a child is eligible for Early Learning Scholarships? And, are we making this determination or is our regional administrator?**

For Pathway II awards, **programs make the eligibility determination.** The regional administrators may need to contact you to confirm eligibility or notify you if a family is ineligible because they are already receiving a scholarship. Below is the criteria for eligibility, which are also contained in the award form:

- For Pathway II, families must attend a Four Star Parent Aware rated program physically located within an eligible school district attendance area that has been allocated Pathway II – Early Learning Scholarships by MDE.
- Families must have income equal to or less than 185 percent of federal poverty level income in the current calendar year, or be able to document their child's current participation in the free and reduced-price lunch program; child and adult care food program, National School Lunch Act, United States Code, title 42, sections 1751 and 1766; Head Start under the federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; child care

assistance programs under chapter 119B; the supplemental nutrition assistance program; or placement in foster care under section 260C.212.

- **Additionally, children awarded a scholarship must meet one or more of the following criteria:**

1. The child is age three or four as of September 1 of the current year and not yet enrolled in kindergarten.
2. A child between the ages of zero and five a parent under the age of 21 who is pursuing a high school or general education equivalency diploma is eligible for a scholarship if the parent meets the income eligibility guidelines.
3. A sibling between the ages of zero and five of a child who has been awarded a scholarship is eligible, upon request, provided the sibling attends the same program and sufficient funds are available.

**4. Item 3 above states that a “sibling between the ages of zero and five of a child who has been awarded a scholarship is eligible upon request, provided the sibling attends the same program.” Does this mean we have to award a Pathway II scholarship to siblings?**

Yes, if you award a scholarship to a child and he/she has a sibling between the ages of 0 and 5, and that sibling requests a scholarship to attend the same program, then the sibling must also receive a Pathway II scholarship, provided funds are available. Since a sibling must attend the same program, this situation will be more common for child care providers and Head Start programs.

**5. We awarded a scholarship last year to child who is now in Kindergarten. His three-year-old sibling will be attending our program this year. Does his sibling automatically receive a scholarship, or does the family need to reapply?**

Minnesota Statutes, section 124D.165, state that “Any siblings between the ages zero to five years old of a child who has been awarded a scholarship under this section must be awarded a scholarship upon request, provided the sibling attends the same program...”

In the question above, the three-year-old sibling would need to apply for a scholarship because the younger child will not have a sibling actively attending the program. If the children were actively attending the same program, then the sibling would not have to apply.

**6. A family submitted proof of income to verify their eligibility. Do we need to submit proof to our regional administrator regarding how we determined eligibility?**

No, the income verification documents should not be submitted with a copy of the award form that is sent to your regional administrator. You will identify on the Pathway II – Early Learning Scholarship Award form how you determined eligibility. A program will need to determine policies and procedures to ensure accurate determination of eligibility and provide supporting documentation in the event there is an audit or monitoring visit.

In the event that you are asked how you determined eligibility, please consider how you will provide that evidence. Consult your program or organization’s policies and procedures regarding data privacy and security.

**7. We have a child that meets the eligibility requirements, but he turns three later this school year. Is he eligible for scholarships when he turns three?**

No. The child must be three or four as of September 1 of the current school year. He will still be three on September 1 of the following school year and will be age eligible at that time.

Example: William will turn three on October 3, 2015. Since he was two years old on September 1, 2015, he is **not** age-eligible for an Early Learning Scholarship for the 2015-16 school year.

**Guidance:**

- It is helpful to be aware of academic and fiscal calendars. The age eligibility requirement is based on an academic calendar which starts on September 1. Minnesota's fiscal year goes from July 1 to June 30. Public school districts also follow this fiscal calendar. Head Start's fiscal calendar starts with the month in which their federal grant was awarded.

**8. I was told that children can be "directly enrolled." What does that mean and how do I proceed to do that?**

This just means that children can enroll directly in a Pathway II program in contrast to applying through the Regional Scholarship Administrators for Pathway I.

**9. How do we obtain a Pathway II – Early Learning Scholarships Award form for families?**

Forms were emailed to each Pathway II – Early Learning Scholarships program or call your regional administrator.

**10. Who is our Regional Administrator?**

[View the regional administrators in your area.](#)

**11. Can a child receive a Pathway I and Pathway II scholarship?**

Not in the same 12 month period because a child can only receive one scholarship per 12 month period.

**12. Can a family receive a Pathway I and a Pathway II scholarship?**

Yes, but only if the children/siblings attend different programs and separate scholarship applications were submitted. For example, Alberto received a Pathway II scholarship to attend Jefferson school district's prekindergarten program. Alberto's parents applied for a Pathway I scholarship so Alberto's three-year-old sister, Anita, could attend Bright Futures child care.

### **13. How do we know if a child has already received a Pathway I scholarship?**

The parent/applicant should indicate on the Pathway II – Early Learning Scholarship Award form that the child has received a Pathway I scholarship. Also, after submitting your Pathway II award forms to the regional administrator, they will check and you will be notified if a family is not eligible because they are already receiving a scholarship.

#### **Guidance:**

- **You should ask the parent during the Pathway II award process if they have received a Pathway I or other Early Learning Scholarship, and if they plan on applying for a Pathway I scholarship.**
- You may also want to talk to parents/guardians to determine which type of scholarship best meets their needs.

## **B. Early Learning Scholarships – Pathway II Funds**

### **1. Can my program receive both Pathway I and Pathway II scholarships?**

Yes. If your program is Four Star Parent Aware rated and located within one of the eligible school district areas identified by MDE, then you are eligible to apply for Pathway II funds. For Pathway I, families who live in certain counties identified by MDE are eligible to apply for Pathway I scholarships. Pathway I scholarships can be used in any program participating in Parent Aware.

#### **Note:**

- **In short, for Pathway I, families are choosing your program by applying through the regional administrator. For Pathway II, families are choosing your program by applying directly to your program.**

### **2. We received our award notification from MDE. How do we access these funds?**

Programs are reimbursed for their expenses by the regional administrator. Your regional administrator will provide you with the invoice form for reimbursement and you will need to regularly submit an invoice to them.

#### **Note:**

- **Early Learning Scholarship funds are awarded to individual children so the invoices must reflect expenses directly related to the services individual children receive.**

### **3. Can Pathway II programs that have more than one location decide how to split up the awards between their sites?**

Yes, provided the sites are physically located within the same eligible district attendance area, the services described in the Pathway II application are delivered at each site and that all sites are Four Star rated.

### **4. Our award was less than the amount for which we applied. How do I know what in our budget or application was approved?**

Application narratives were reviewed and scored but budgets were either approved or not approved. Because you may not be able to deliver all the services described in the application, you must determine the appropriate use of Pathway II funds to meet the needs of the families you serve. You must ensure your reduced plan is consistent with your application, and that your expenditures are allowable.

#### **5. How do we know what expenditures are allowed or not allowed?**

The expenditures listed in the Pathway II – Early Learning Scholarships application are allowed. For school districts, permitted code combinations are included in the [2014 UFARS manual](#) (chapter 10, page 11). If you are a school district early childhood coordinator and have questions about the UFARS (Uniform Financial Accounting and Reporting Standards), you may want to inquire with your finance director/business manager.

#### **6. We are a school district program. How do we determine the cost or charge for each child's scholarship?**

Ideally, your program has determined what it specifically costs, per child, to provide your programming/services. Based on your plan, you should determine a cost per child for your program and services and charge the amount to the scholarship funds. You have two options: 1) Use the advertised or subsidized cost, or 2) Use your actual cost.

Your advertised or subsidized cost would be what you charge regular paying families. For example, if families pay \$150/month to attend your three-day section, you would then invoice \$150/month if you awarded a scholarship to a child who attends your three-day section. For School Readiness programs, if a level of your sliding fee scale reflects the full cost of your program and services, you may use that level to determine the cost per child and charge the scholarship the full fee up to the maximum scholarship amount.

If your tuition and fees are subsidized and do not reflect the cost of your program; you may choose to charge the scholarships the true cost of your program, up to the maximum scholarship amount, or the cost of additional services offered to the child with a scholarship. To determine the cost of your program and services, you may consider including the types of expenditures that are allowable for Pathway II funds. All programs must maintain evidence of how they determined their scholarship amount.

#### ***Guidance***

- To determine the cost of your program and services, you may consider including the types of expenditures that are allowable for School Readiness funds.
- Once you determine the actual cost for your program and services, you will need to divide that by the number of students you serve to determine the cost per child. Remember that scholarships cannot exceed \$5,000 per child.

### **7. Can a Pathway II scholarship be used for more than one child?**

Rather than applying for a number of scholarships, programs applied for an amount of scholarship funds. Your Pathway II application described the cost of your proposed programming/services. It is possible that these funds may serve more than one child per \$5,000.

As an example, consider a program that received \$40,000 in Pathway II funds. If the cost of programming/services was \$2,000 per child, it is possible they could serve 20 children with their Pathway II funds. If the cost was \$5,000, the maximum number of children served with Pathway II funds is 8.

### **8. How long does my program have to award Pathway II Early Learning Scholarships to eligible children?**

2014 - 2015 Pathway II scholarships can be awarded any time during the 2015 fiscal year (July 1 2014 – June 30 2015). The family must be entered and accepted into the Regional administrator's database no later than June 30, 2015 in order to use funds for the family from the program's/provider's 2015 allocation.

For 2015-16, programs may start awarding Pathway II scholarships using Pathway II 2015 – 2016 funds to eligible children on July 1, 2015. Programs will have until June 30, 2016, to fully award their 2015-2016 Pathway II scholarship funds to children.

### **9. How long does my program have to expend its Pathway II scholarship funds for the 2014-2015 allocation?**

Programs could start awarding Pathway II scholarships and incurring costs related to their Pathway II – Early Learning Scholarships on July 1, 2014. All Pathway II funds must be awarded by June 30, 2015.

For 2014 - 2015 Pathway II allocations **any funds not awarded (unobligated) to families on June 30, 2015, will not roll forward on July 1** but rather expire and be returned to the state general fund. (This is a change from the end-of-year process in 2013-2014.) To prevent any loss of your scholarship funds, it is extremely important that you complete the award process with your families and regional administrator prior to about June 20. Awarded (obligated) funds will be able to be invoiced against in the following fiscal year.

#### ***Guidance***

- **Scholarships are awarded to eligible children for a 12-month period. For example, if you awarded a scholarship to a child on February 3, 2015, you will be able to invoice for costs incurred through February 2, 2016.**
- It is important not to over-spend a yearly allocation. Because a Pathway II scholarship is awarded for 12 months, it is not unusual for invoicing to begin in one fiscal year and continue into the next. Since the Pathway II scholarships are awarded from a program's allocation made during a specific fiscal year, all payments made on behalf of a scholarship that was awarded during a previous fiscal year will be made from that previous year's allocation.

**Example:** Bao is awarded a scholarship in May 2015 and your program is invoicing for that scholarship in August of 2015. (Fiscal years change on July 1.) Even though your program has already received a 2016 Pathway II allocation, all payments for Bao's scholarship will be made from the fiscal year 2015 allocation.

- Keep in mind that programs are reimbursed for expenditures. If you awarded a scholarship during the 2014-15 funding year to a child, and she continues to attend your program during the 2015-16 funding year (and she has not exceeded the \$5,000 or 12 month limits), then you would still be able to invoice for expenses based on your 2014-15 allocation, provided you have not exceeded your total 2014-15 allocation.
- 2013-14 Pathway II funds carried over to the 2014-15 school year. For example, consider a program that was allocated \$40,000 in Pathway II funds for 2013-14. Throughout the funding year they awarded scholarships to six children; for a total of \$30,000 obligated (6 x \$5,000) of their \$40,000 allocation. As a result, they have \$10,000 remaining which was not committed to eligible children. This \$10,000 of unobligated funds will not be available to the program for the next funding year, 2015-16.
  - Whenever possible, try to award your Pathway II scholarships to children at the beginning of your academic year.
  - All 2013-14 Pathway II scholarship funds need to be expended by June 30, 2015.

**10. Can Pathway II sites invoice for all of the funds in one invoice?**

Scholarships funds are paid on a reimbursement basis. Programs/providers should contact their regional administrator to verify invoicing procedures and schedules. In most cases, programs/providers need to submit invoices monthly or quarterly.

**11. If we have money remaining, can we use scholarship funds on other children?**

Early Learning Scholarship funds can only be expended on eligible children who have been awarded a scholarship.

**Note:** In some cases, like program enhancements, the funds may benefit more than just the child receiving the scholarship. For example, a program uses their scholarship funds to design and implement a new literacy program, which also involves the hiring of a literacy specialist.

**12. We identified transportation as an access issue on our Pathway II application. Can we purchase gas cards to assist families?**

Gas cards and personal mileage reimbursement are not an allowable expenditure.

**13. Do scholarship funds have to be used to cover parent fees first?**

Scholarship funds should be used first to cover any parent fees.

## **C. Pathway II Scholarships – Implementation Guidance**

### **1. What if we award a Pathway II scholarship to a family and then they drop out of our program?**

With Pathway II scholarships, the funds remain with the program (whereas with Pathway I they follow the child). However, your program can only bill for expenses that are tied to an eligible child. If a Pathway II scholarship family drops out of your program, you should offer a family on your waiting list a scholarship (you must complete a new award form for each new child).

#### ***Guidance***

- Importantly, you should be aware of potential disadvantages to families in this situation. One disadvantage would be that the family who dropped out is no longer eligible to receive a scholarship for the duration of the 12 months for which the scholarship was awarded.
- In these situations, as a part of your decision making process, please consider what is in the best interest of the child/family. For example, if the family had to drop out of your program because they needed full-time child care, you could consider working with the family's new provider (i.e. if the provider was a Four Star rated program, you could use your Pathway II dollars to pay for the child's tuition, thereby ensuring continuity of services for the family and child).

### **2. In a 12-month period, can a family receive a Pathway II scholarship and then switch over to a Pathway I?**

No. A scholarship is awarded for a 12-month period.

### **3. If a family received a Pathway II award this year, do they have to be awarded a Pathway II next year, or can they receive a Pathway I?**

A family must be given the opportunity to renew their Pathway II scholarship first. If a family declines the renewal and wants to access a Pathway I scholarship, they must submit a Pathway I scholarship application to the regional administrator.

#### ***Guidance***

- Programs allocated Pathway II scholarship funds should contact families who have received scholarships four to six weeks before the scholarship expires and ask if the family plans to renew. If a family wants to renew their scholarship, then they must be awarded a Pathway II scholarship for the following year.
- So you have a written record, programs might want to consider having parents/guardians sign an intent to renew their scholarship contract.
- Before awarding new scholarships, make sure you know the status (i.e., plans for renewal) of all of your current Pathway II scholarship recipients.

**4. We have a child attending our program with a Pathway I scholarship that expires on March 1. This child moved into our county, which is not eligible for Pathway I scholarships. Must this child be awarded a Pathway II scholarship?**

Before the scholarship expires, the child's family is sent a renewal letter by the regional administrator who awarded the scholarship. The family then notifies the regional administrator if they wish to renew their scholarship. The regional administrator will work with the family to ensure their Pathway I scholarship is renewed even though the family no longer lives in an eligible county.

**5. Can a scholarship be used so a child can attend preschool and child care in the same location, or do they need to choose if they are going to use the scholarship at the preschool or at the child care (enrichment program)?**

For administrative purposes, there can only be one Parent Aware rated program that receives scholarship funds. If the preschool and the child care provider collaborate to provide a full day of services for the child, one program may serve as the fiscal agent for the scholarship, and use the scholarship funds to cover services provided by both programs, provided they are Four Star rated.

Families often use more than one program to meet their needs. However, a parent must select just one program to receive their Early Learning Scholarship(s). If a family is using two approved programs, they must pick one program to receive their Early Learning Scholarship, unless the programs operate as collaboration. When two programs are formally collaborating, the two programs may select one fiscal agent to act for both of the programs

**6. Can you provide more information about the screening requirement?**

Children using Early Learning Scholarships and who are between the ages of three- to five-years must complete a screening through the Early Childhood Screening program within 90 calendar days of first attending a child care or early education program. This applies to children receiving either a Pathway I or a Pathway II scholarship. If the child also already received an Early Childhood Screening, this requirement has been met. Children can also meet this requirement if they receive a complete health and developmental screening through Head Start or local public health. The contacts for the Early Childhood Screening programs provided through a school district are available on the [Minnesota Department of Education website](#).

The screening is not a requirement if the child is younger than three-years-old. However, if the child turns three years while receiving the scholarship, the child must complete the developmental screening. If a child has not received a screening, the early childhood program or child care provider should refer the child to the school district or other appropriate screening provider (e.g., Child and Teen Checkups, child's health care provider or Head Start) for the screening to be completed within 90 days.

Parents may also be a conscientious objector to the screening program for their child. If a parent is a conscientious objector, they need to have a signed and dated statement that they are conscientious objector to the screening program for their child. This signed statement should be part of the child's file.

Parent information about the Early Childhood Screening program is available on the state of Minnesota [parent website](#). More information about the Early Childhood Screening for programs or providers is available on the [Minnesota Department of Education website](#).

**7. Our plan for Pathway II funds has changed from our original application. Do we need to submit a revised application?**

If you are planning programming or enhancements for 2014-15 that are different than what was in your 2014-15 application, please contact [Eileen Nelson](#).