

**KENTUCKY DEPARTMENT OF EDUCATION**

**STAFF NOTE**

**Action/Discussion Item:**

2013-2014 Preschool Funding Process and Funding Rates

**Applicable Statute or Regulation:**

KRS 157.3175, 702 KAR 3:250

**Action Question:**

Should the Kentucky Board of Education approve the Preschool Program 2013-2014 per-child rates?

**History/Background:**

***Existing Policy.*** The Kentucky Preschool Program is a statewide program serving four-year-olds whose family income falls within 150% of poverty guidelines and three- and four-year-old children with disabilities. The preschool program promotes child development and learning through focus on five areas for school readiness: approaches to learning, health and physical well-being, language and communication, cognitive and general knowledge, and social and emotional development. Preschool provides meals to children and training to parents, as well as collaborates with medical, mental health and social service agencies.

***New Funding Procedures.*** Senate Bill 18 (SB 18) amends KRS 157.3175 to base funding on the average number of eligible children served on December 1 and March 1 of the prior academic year. Now the tentative and final award is calculated from this average, multiplied by the per-child rates for the new school year. The new formula removes the requirement to deduct funding when enrollment decreases by five percent. Now the Kentucky Department of Education makes funding decisions with more current data, removes an unintentional incentive for districts to over-identify children with disabilities, and above all, helps to stabilize the funding picture for planning and budgeting purposes.

***Per-Child Rates.*** There is a standard rate for four-year-old at-risk children without disabilities and three- and four-year-old children with disabilities in the categories of speech/language and developmental delay. There is a weighted amount for three- and four-year-old children with severe disabilities. By creating a flat rate for at-risk, speech and developmental delay categories and a higher rate for severe/multiple disabilities, the Kentucky Department of Education disincentivizes the over-identification of children with disabilities, while at the same time ensures a larger portion of funding is allocated for children with profound learning needs.

Each spring, the Kentucky Board of Education establishes the per-child rates for the Kentucky Preschool Program for the upcoming school year based on the budget approved by the legislature.

***District Challenges.*** This year Head Start sequestration is estimated to eliminate services for 1,100 children in Kentucky. KRS 157.3175 and 704 KAR 3:410 require school districts to offer preschool services, so reduction in federal Head Start funds and services may require new state-funded classrooms and teachers to accommodate additional students. Districts and Head Start providers must work closely together to maximize federal and state funding to serve as many eligible four-year-old children as possible.

An additional 1,800 at-risk four-year-old children may be significantly impacted by funding reductions to the Child Care Assistance Program (CCAP). Districts should reach out to early care and education providers, as well as the Community Early Childhood Councils (CECCs), to ensure children previously eligible for CCAP have opportunities for high quality early care and education.

The General Assembly allocated \$71,315,300 to preschool for 2013-2014. While the funding level is the same as 2012-2013, district capacity to help provide opportunities to all eligible young children will be impacted by funding reductions to Head Start and CCAP. Effective communication and coordination will be essential to meet these challenges.

**Proposed Preschool Program allocation for the 2013-2014 school year with calculations for at-risk and children with disabilities and mid-year growth allocation.**

Per Child Rates: At-Risk	\$3355
Speech/Language	\$3355
Mild/Developmental Delays	\$3355
Severe/Multiple Disabilities	\$6375

**Staff Recommendation and Rationale:**

Staff recommends that the Board approve the per-child rates for 2013-2014. The rates must be approved in order for the funding to flow to districts for the administration of the preschool program.

**Impact on Getting to Proficiency Efforts:**

Every child should enter school ready to engage in and benefit from early learning experiences that best promote the child's success. Adequate preschool funding is essential for districts to build and sustain high quality, developmentally appropriate environments that will prepare children for successful experiences in school and life.

**Contact Person:**

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A handwritten signature in black ink, appearing to read "Jay Holliday". The signature is written in a cursive style with a large, sweeping initial "J".

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**Commissioner of Education**

**Date:**

June 2013