

KENTUCKY DEPARTMENT OF EDUCATION

STAFF NOTE

Action/Discussion Item:

2016-2017 Preschool Grant Allotment System and Funding Rates

Commissioner's Recommendation:

The Commissioner recommends that the board approve the preschool per-child rates for 2016-17. The rates are based upon the budget approved by the 2016 General Assembly.

Rationale:

To approve the preschool funding rates is necessary to compute the amount to disseminate to local preschool programs as required by statute and regulation.

Applicable Statute or Regulation:

KRS 157.3175, 702 KAR 3:250

Action Question:

Should the Kentucky Board of Education approve the preschool per-child funding rates?

History/Background:

Existing Policy: The state-funded preschool program serves three- and four-year-old children with disabilities and four-year-olds whose household income falls within 160% of poverty guidelines. Services are designed to meet the comprehensive needs of children through developmentally appropriate teaching and learning practices, as well as collaboration with medical, health, mental health and social service agencies. The Kentucky Department of Education (KDE) administers this program through a non-competitive state grant allocation process.

A formula is used to provide funding to school districts. Amounts are based on the average number of children served on December 1 and March 1 of the previous academic year. The sum of this average is multiplied by per-child rates approved by the Kentucky Board of Education for the new school year. There is a standard "per-child" rate for three categories of enrollment: speech, developmental delay, and income eligible children. There is a weighted category for children with severe/multiple disabilities.

Consider the following funding scenario for "ABC County Schools." The district served an average of 100 students eligible for the state-funded preschool program in 2015-2016.

Preschool Enrollment Category	12/1/15	3/1/16	Average	Per-Child Rate	Total
At-Risk	60	70	65	\$4,180	\$271,700
Speech	18	22	20	\$4,180	\$83,600
Developmental Delay	8	12	10	\$4,180	\$41,800
Severe	5	5	5	\$7,943	\$39,715
					\$436,815

Based on available preschool funding, the district developed the following budget for the 2016-2017 school year.

Description	Budget
Certified Permanent Salary	\$248,984
Classified Regular Salary	\$148,517
Classified Overtime Salary	\$0
Employer FICA Contribution	\$8,736
Employer Medicare Contribution	\$5,766
KTRS Employer Contribution	\$7,470
CERS Employer Contribution	\$15,201
KSBA Unemployment Insurance	\$574
Workers Compensation	\$675
Print	\$447
Travel	\$445
	\$436,815

While funds are allocated to districts based on per-child rates, districts may use funds to address the needs of the entire preschool program. Districts may distribute funds across the program as long as the dollars benefit preschool students.

In 2015-2016, income eligibility for at-risk four-year-old students expanded to 160% of the federal poverty requirement. At the same time preschool funding was increased by approximately \$18 million dollars. These funds were allocated based on the estimated cost of serving additional preschool students at a higher percentage of the federal poverty level. The intent was to increase the capacity of school districts to serve an additional 5,000 preschool students.

Figure 1: State-Funded December 1 Count 2004-2015

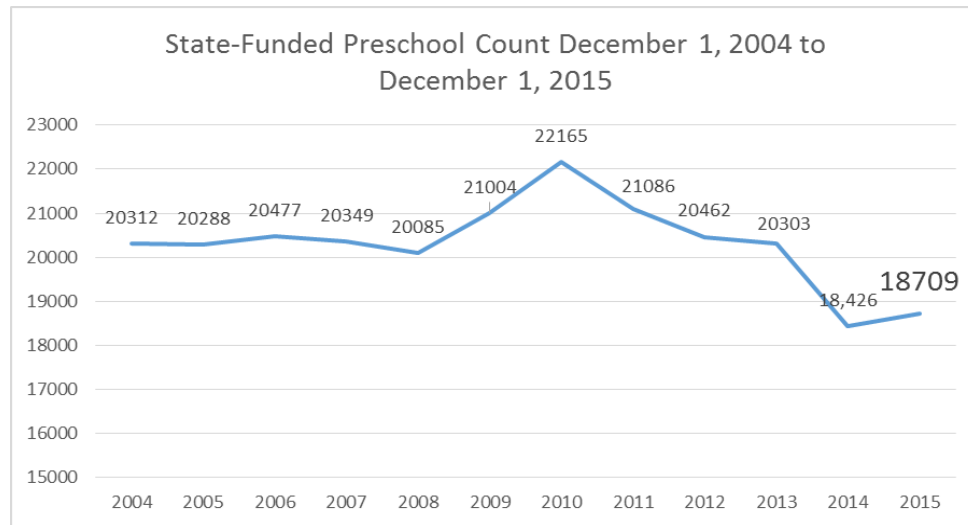
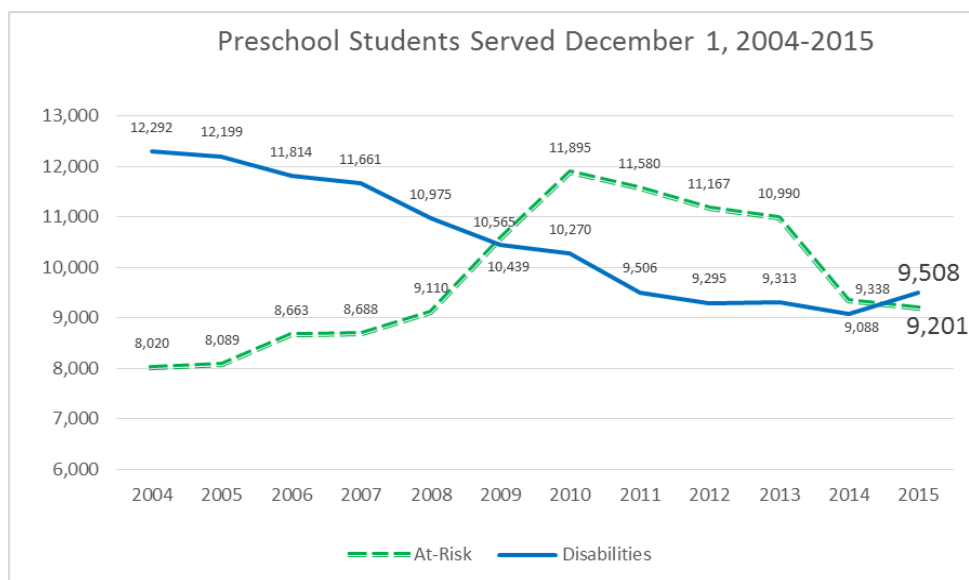


Figure 2: Number of At-Risk Children and Children with Disabilities Served December 1 in Kentucky's State-Funded Preschool Program



The number of preschool students enrolled on December 1 went up by 283 this year, from 18,426 in 2014 to 18,709 in 2015. However, the number of at-risk preschool students dropped from 9,338 to 9,201 over the same time period. Additional service and support has been provided to all districts to raise awareness about preschool eligibility and the need for effective Child Find activities.

Summary: 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. The following preschool rates for at-risk children and children with disabilities are recommended for the 2016-2017 school year.

Table I. Preschool rates for at-risk and disabilities 2007-2014

Categories	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017 Proposed
At-Risk	\$3,085	\$2,863	\$3,047	\$3355	\$3385	\$4,682	\$4,180
Speech/Language	\$3,240	\$3,007	\$3,199	\$3355	\$3385	\$4,682	\$4,180
Developmental Delays	\$4,319	\$4,009	\$4,265	\$3355	\$3385	\$4,682	\$4,180
Severe/Multiple Disabilities	\$5,862	\$5,440	\$5,789	\$6375	\$6428	\$8,896	\$7,943

Budget Impact: The 2016-2018 budget bill maintained funding for preschool at 2015-2016 levels. However, the budget bill establishes a \$15 million dollar grant program to incentivize partnerships between private child care centers and public schools. This means \$7.5 million dollars will be taken from the preschool allocation each year of the biennium to establish a new grant program. While funding for the new grant appears to lower the total amount available for preschool programs, school districts can receive additional funds by collaborating with child care centers to deliver full-day, high-quality early childhood services to children eligible for assistance through the Child Care Assistance Program (C-CAP). As required by statute, KDE will work collaboratively with the Kentucky Board of Education, the Early Childhood Advisory Council, the Child Care Advisory Council and the Cabinet for Health and Family Services to develop this new incentive grant program.

Groups Consulted and Brief Summary of Responses:

Staff has consulted the Prichard Committee for Academic Excellence about increasing access to high quality early learning environments. The Prichard Committee has offered to assist and support implementation of the new grant program.

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Commissioner of Education

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