

KENTUCKY DEPARTMENT OF EDUCATION

STAFF NOTE

Action/Discussion Item:

2017-18 Preschool Grant Allotment System and Funding Rates

Commissioner's Recommendation:

The Commissioner recommends that the board approve the proposed preschool per-child funding rates for 2017-18. The rates are based upon the budget approved by the 2016 General Assembly.

Rationale:

To approve the preschool funding rates in order to compute the amount to disseminate to local preschool programs, as required by statute and administrative regulation.

Applicable Statute or Regulation:

KRS 157.3175, 702 KAR 3:250

Action Question:

Should the Kentucky Board of Education (KBE) approve the proposed preschool per-child funding rates?

History/Background:

Existing Policy: The state-funded preschool program offers comprehensive services to 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 provide children with developmentally appropriate teaching and learning experiences, as well as access to medical, health, mental health and social services. The Kentucky Department of Education (KDE) administers this program through a non-competitive state grant allocation process.

A formula is used to distribute local funding. 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 KBE for the new school year. There is a standard “per-child” rate for three enrollment categories: 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 2016-17.

Preschool Enrollment Category	12/1/16	3/1/17	Average	Per-Child Rate	Total
At-Risk	66	64	65	\$4,110	\$267,150
Speech	19	21	20	\$4,110	\$82,200
Developmental Delay	9	11	10	\$4,110	\$41,100
Severe	4	5	5	\$7,810	\$39,050
					\$429,500

Based on available preschool funding, the district developed the following budget for the 2017-18 school year.

Description	Budget
Certified Permanent Salary	\$ 244,005
Classified Regular Salary	\$ 145,547
Classified Overtime Salary	
Employer FICA Contribution	\$ 8,562
Employer Medicare Contribution	\$ 5,651
KTRS Employer Contribution	\$ 7,321
CERS Employer Contribution	\$ 14,897
KSBA Unemployment Insurance	\$ 563
Workers Compensation	\$ 662
Instructional Field Trips	\$ 800
Print	\$ 747
Travel	\$ 745
	\$429,500

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 2015-16, 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 2006-2016

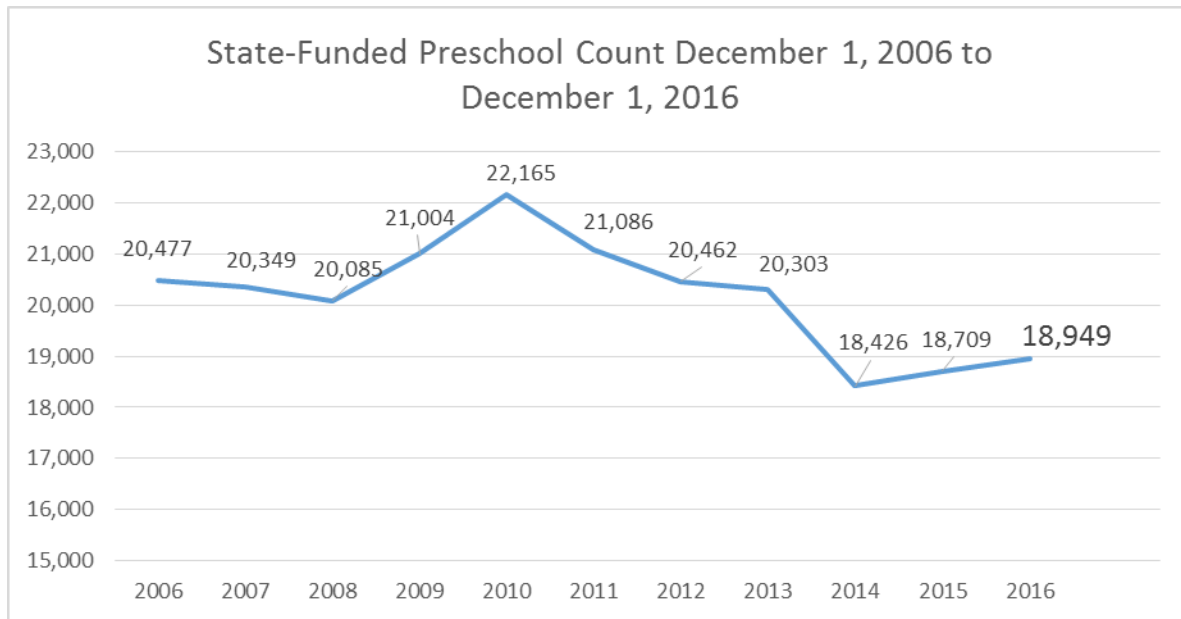
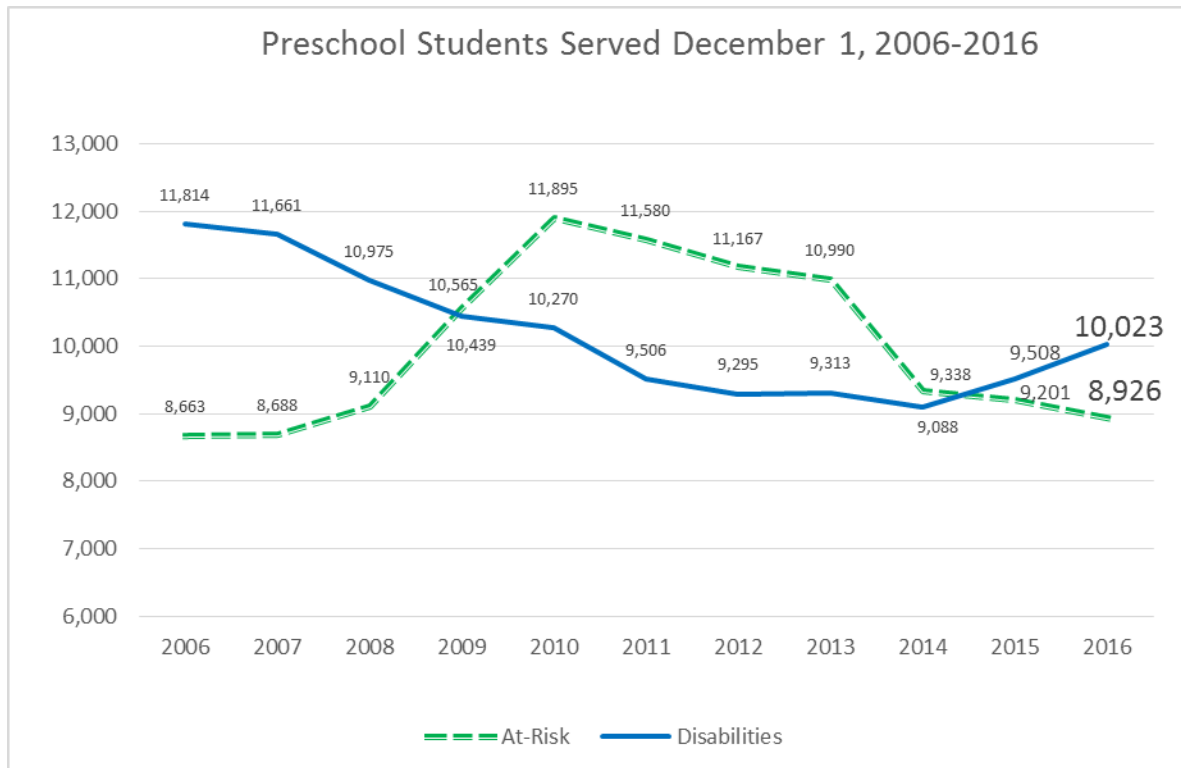


Figure 2: Number of At-Risk Children and Children with Disabilities Served December 1 in Kentucky's State-Funded Preschool Program



Between December 1, 2015 and December 1, 2016, total enrollment of preschool students increased from 18,709 to 18,949. There is an upward enrollment trend for children with disabilities and a downward trend for enrollment of at-risk preschool children.

Numerous studies show preschool produces large, positive effects on child development, including kindergarten readiness, yet the number of at-risk families choosing to access state-funded preschool continues to decline in Kentucky. Barriers may include limited opportunities for full-day preschool services, uneven recruitment efforts, a need for stronger family outreach strategies and a lack of effective communication and collaboration among early childhood providers. Also, parent choice may play a role in an undetermined number of families of at-risk children not enrolled in preschool.

At the request of the General Assembly, the Office of Education Accountability (OEA) is conducting a study that will include a review of enrollment, financial and outcome data for Kentucky kindergarten and state-funded preschool students. Results of this study should be available in the fall of 2017.

Summary: Each spring, KBE 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 2017-18 school year.

Table I. Preschool Rates for At-Risk Children and Children with Disabilities for School Years 2011-12 through 2017-18

Categories	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 Proposed
At-Risk	\$2,863	\$3,047	\$3355	\$3385	\$4,682	\$4,180	\$4,110
Speech/Language	\$3,007	\$3,199	\$3355	\$3385	\$4,682	\$4,180	\$4,110
Developmental Delays	\$4,009	\$4,265	\$3355	\$3385	\$4,682	\$4,180	\$4,110
Severe/Multiple Disabilities	\$5,440	\$5,789	\$6375	\$6428	\$8,896	\$7,943	\$7,810

Budget Impact: The 2016-2018 budget bill maintained funding for preschool at 2015-2016 levels.

Groups Consulted and Brief Summary of Responses:

Preschool per-child funding rates were approved by the KBE in June 2016 based on the budget approved by the 2016 General Assembly.

Contact Persons:

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A handwritten signature in blue ink that reads "Stephen L. Pruitt".

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Commissioner of Education

Date:

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