

# **KENTUCKY DEPARTMENT OF EDUCATION**

## **STAFF NOTE**

### **Action/Discussion Item:**

2018-19 Preschool Grant Allotment System and Funding Rates

### **Commissioner's Recommendation:**

The Commissioner recommends the board approve the preschool per-child rates for 2018-19. The rates are based on the budget approved by the 2018 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 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.

While local funding is based on a “per-child” rate, funds may support any allowable preschool expenditures. To understand how this works, consider the following scenario of a district serving an average of 100 students eligible for the state-funded preschool program in 2017-18.

Using the funding formula, KDE generates the district's allocation for state-funded preschool.

<b>Preschool Enrollment Category</b>	<b>12/1/17</b>	<b>3/1/18</b>	<b>Average</b>	<b>Per-Child Rate</b>	<b>Total</b>
At-Risk	68	64	66	\$3,491	\$230,406
Speech	18	20	19	\$3,491	\$66,329
Developmental Delay	9	11	10	\$3,491	\$34,910
Severe	5	5	5	\$6,634	\$33,170
					<b>\$364,815</b>

Based on available preschool funding, the district develops the following budget for the 2018-19 school year.

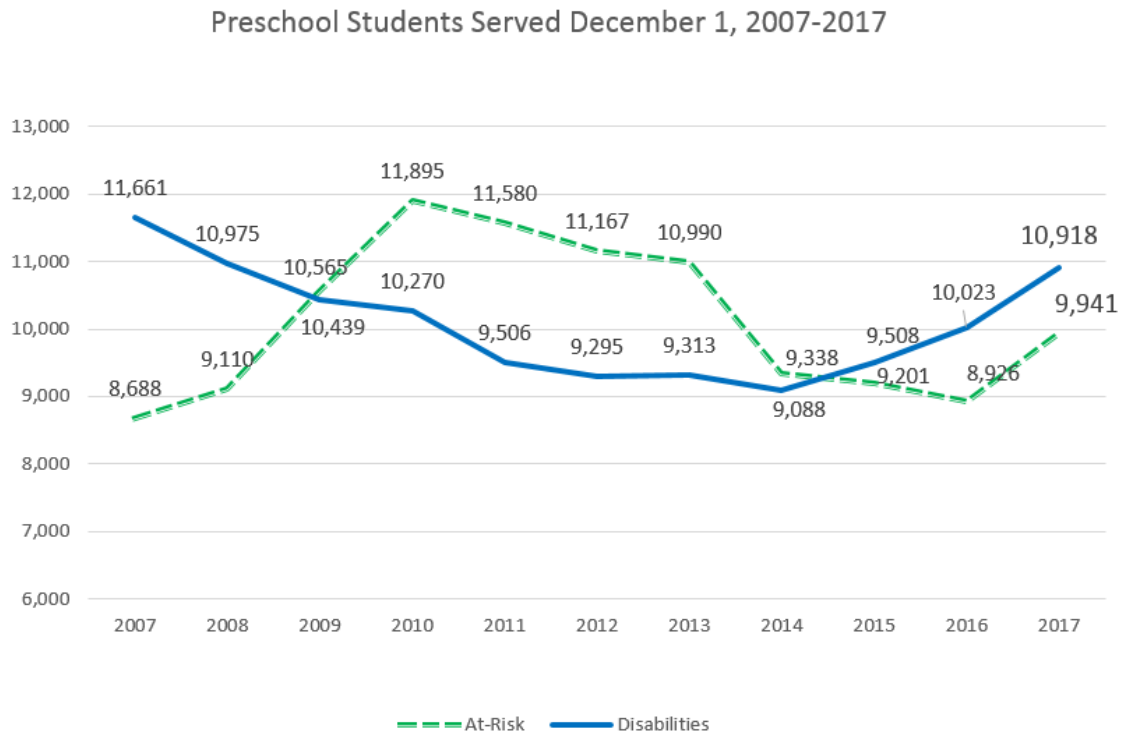
<b>Description</b>	<b>Budget</b>
Certified Permanent Salary	\$ 207,257
Classified Regular Salary	\$ 123,627
Classified Overtime Salary	
Employer FICA Contribution	\$ 7,273
Employer Medicare Contribution	\$ 4,800
KTRS Employer Contribution	\$ 6,218
CERS Employer Contribution	\$ 12,653
KSBA Unemployment Insurance	\$ 478
Workers Compensation	\$ 562
Instructional Field Trips	\$ 680
Print	\$ 634
Travel	\$ 633
	<b>\$364,815</b>

While funds are allocated to the district 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.

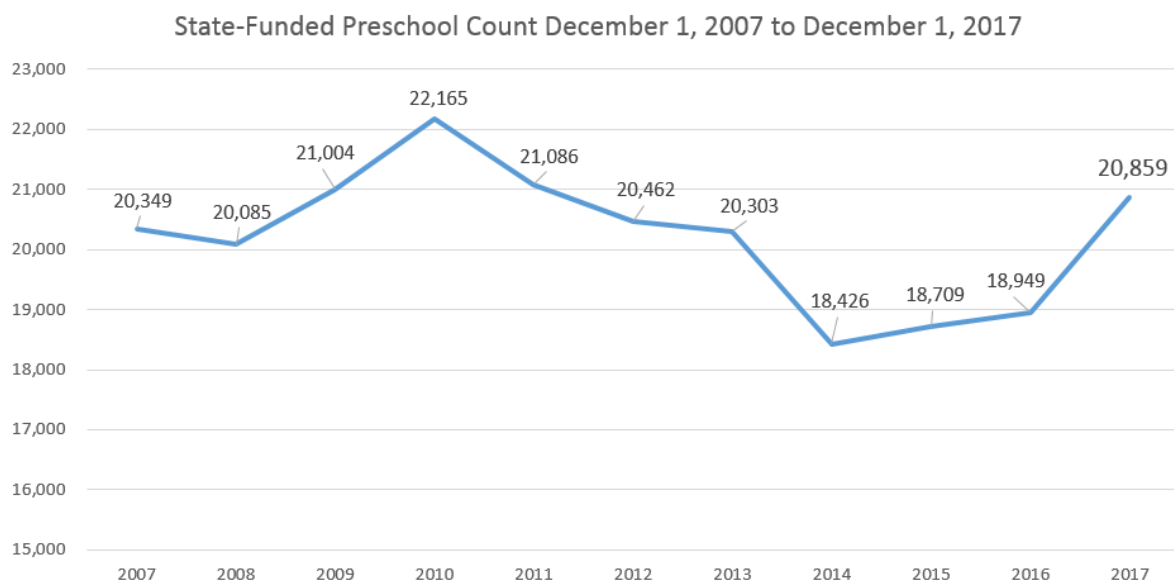
The enacted budget for 2018-2019 provides less money for preschool services, falling from \$90,113,200 in FY 2018 to \$84,481,100 in FY 2019. In most cases, districts must use

funding from other sources to deliver high quality, comprehensive services. This means districts must combine local, state and federal funds to ensure service delivery.

**Figure 1: State-Funded December 1 Count 2007-2017**



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



Between December 1, 2016 and December 1, 2017, total enrollment of preschool students increased from 18,949 to 20,859. The trend is upward for both children with disabilities and at-risk preschool children.

For the first time since 2010, the number of enrolled at-risk preschool children increased from the previous year. Reasons for the increase may include a change in the kindergarten eligibility from October 1 to August 1 and implementation of the preschool partnership grant.

**Summary:** Each spring, the 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 and disabilities 2012-13 through 2018-19**

Categories	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
At-Risk	\$3,047	\$3355	\$3385	\$4,682	\$4,180	\$4,110	<b>\$3,491</b>
Speech/Language	\$3,199	\$3355	\$3385	\$4,682	\$4,180	\$4,110	<b>\$3,491</b>
Developmental Delays	\$4,265	\$3355	\$3385	\$4,682	\$4,180	\$4,110	<b>\$3,491</b>
Severe/Multiple Disabilities	\$5,789	\$6375	\$6428	\$8,896	\$7,943	\$7,810	<b>\$6,634</b>

The combined effect of increasing enrollment and preschool funding cuts will create numerous challenges for school districts. Many of these challenges can be addressed through effective collaboration, coordination and partnership.

Funding opportunities for early childhood partnerships will be available in 2018-2019. The 2018-2020 budget renewed a \$15 million dollar grant program to incentivize partnerships between private child care centers and public schools. KDE works collaboratively with the Board of Education, the Early Childhood Advisory Council, the Child Care Advisory Council, the Cabinet for Health and Family Services and superintendents to implement this incentive grant program.

In 2017-18, three different partnership opportunities were made available to school districts and child care providers. Tier 1 partnerships were designed to help districts and child care providers develop formal plans to increase the availability of full-day, high-quality preschool services for Child Care Assistance Program (CCAP) eligible children. Tier 2 partnerships were designed to implement or enhance the implementation of full-day, high-quality preschool services to CCAP eligible children. Tier 3 partnerships were designed to continue implementing or enhancing the implementation of full-day, high-quality preschool services to CCAP eligible children.

Five (5) tier 1 partnerships, 27 tier 2 partnerships, and 52 tier 3 partnerships were funded in 2017-18. Preliminary results from these programs will be available by July 2018.

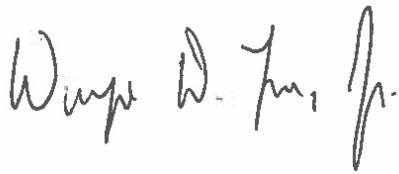
***Budget Impact:*** The 2016-2018 budget bill maintained funding for preschool at 2016-2017 levels.

**Groups Consulted and Brief Summary of Responses:**

Preschool per-child funding rates were approved by the KBE in June 2017 based on the budget approved by the 2016 General Assembly.

**Contact Persons:**

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A handwritten signature in black ink, appearing to read "Wayne D. Thomas, Jr." with a stylized flourish at the end.

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**Interim Commissioner of Education**

**Date:**

June 2018