

## KENTUCKY DEPARTMENT OF EDUCATION STAFF NOTE

**Topic: 2019-2020 Preschool Grant Allotment System and Funding Rates**

**Date: June 2019**

**Action Requested:**  Review  Action/Consent  Action/Discussion

**Assigned To:**  Full Board  Curriculum, Instruction and Assessment

Finance  Operations Management

### **SUMMARY OF ISSUE BEFORE THE BOARD:**

To review and approve the 2019-2020 preschool grant allotment system and funding rates.

### **COMMISSIONER'S RECOMMENDATION:**

The Commissioner recommends that the board approve the preschool per-child rates for 2019-2020. The rates are based upon the budget approved by the 2018 General Assembly.

### **APPLICABLE STATUTE OR REGULATION:**

KRS 157.3175, 702 KAR 3:250

### **BACKGROUND:**

*Existing Policy:* The state-funded preschool program offers comprehensive services to three- and four-year-old children with disabilities and four-year-old children 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.

The KDE is in the process of developing a joint and annual preschool evaluation and grant application system. By the 2020-2021 school year, the KDE will implement an annual evaluation and grant application system for preschool programs statewide. Currently, the KDE is reviewing potential platforms to align monitoring and oversight with the submission of preschool grant proposals for funding. This has included looking at KDE's Grant Management Application and Planning (GMAP) system. Districts are currently using GMAP to submit proposals for IDEA and Title III. The goal is to provide better alignment of district proposals to funding and improve programming for preschool students. Beginning June 24, 2019, KDE will meet with stakeholders to discuss options and receive feedback as KDE finalizes plans for the 2020-2021 school year. Aligning the monitoring and grant application processes was a recommendation from the Office of Education Accountability's (OEA) report: "Preschool and Kindergarten Programs" released last year.

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 Kentucky Board of Education (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 upon a “per-child” rate, funds may support any allowable preschool expenditure. 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 2018-2019.

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

<b>Preschool Enrollment Category</b>	<b>12/1/18</b>	<b>3/1/19</b>	<b>Average</b>	<b>Per-Child Rate</b>	<b>Total</b>
At-Risk	68	64	66	\$3,372	\$222,552
Speech	18	20	19	\$3,372	\$64,068
Developmental Delay	9	11	10	\$3,372	\$33,720
Severe	5	5	5	\$6,406	\$32,030
					<b>\$352,370</b>

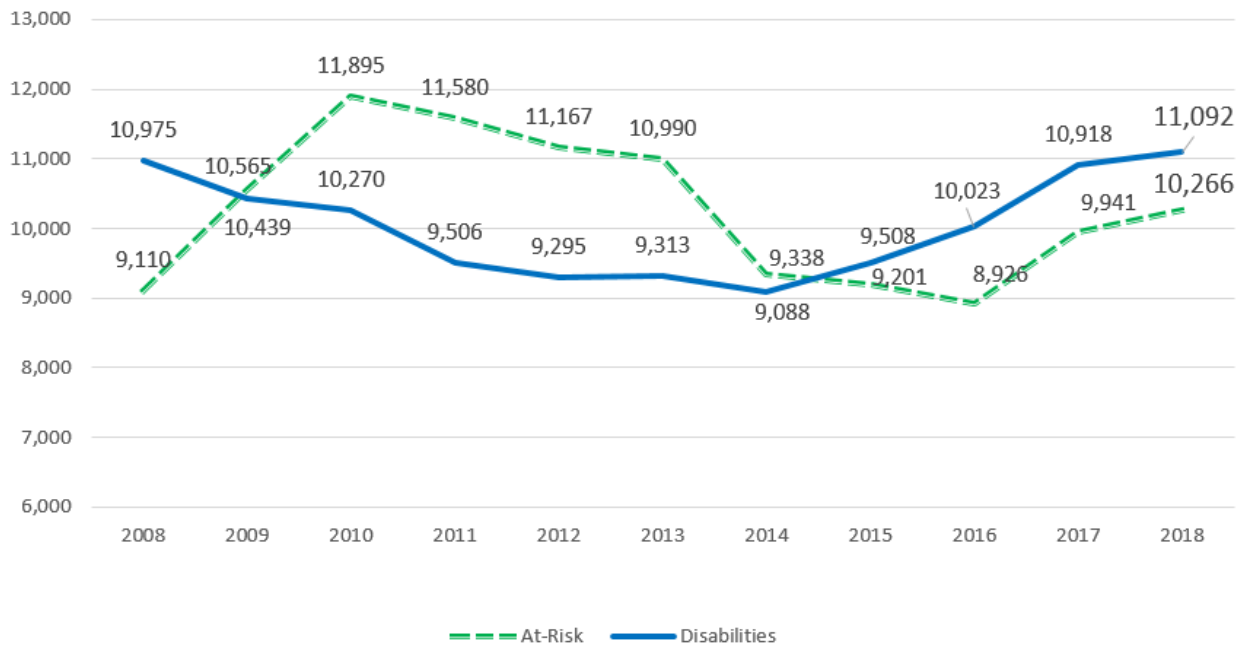
Based on available preschool funding, the district develops the following budget for the 2019-2020 school year.

<b>Description</b>	<b>Budget</b>
Certified Permanent Salary	\$ 200,187
Classified Regular Salary	\$ 119,410
Classified Overtime Salary	
Employer FICA Contribution	\$ 7,024
Employer Medicare Contribution	\$ 4,636
KTRS Employer Contribution	\$ 6,006
CERS Employer Contribution	\$ 12,222
KSBA Unemployment Insurance	\$ 462
Workers Compensation	\$ 543
Instructional Field Trips	\$ 656
Print	\$ 613
Travel	\$ 611
	<b>\$352,370</b>

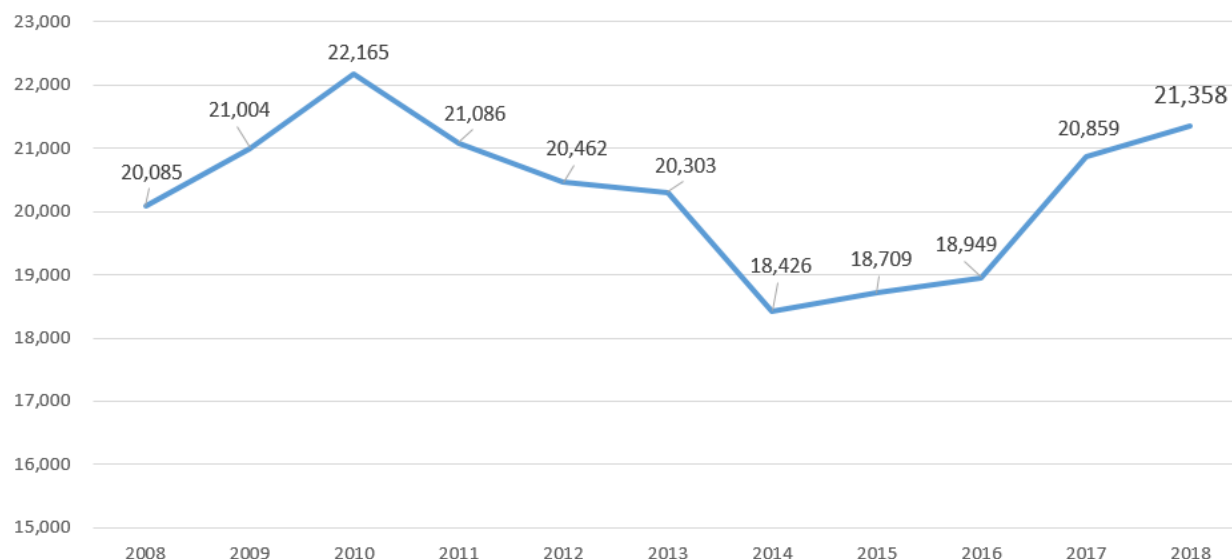
While funds are allocated to the district based on per-child rates, districts may use funds to address the needs of the entire preschool program. Districts may distribute funds across the program as long as the dollars benefit preschool students.

The enacted budget for 2019-2020 is \$84,481,100; however, preschool rates are calculated using a reduced amount of \$76,981,100. The remaining \$7,500,000 is awarded competitively to preschool partnerships. In most cases, districts must use funding from other sources to deliver high quality, comprehensive services. Districts must combine local, state and federal funds to ensure service delivery.

**Figure 1: State-Funded December 1 Count 2008-2018**



**Figure 2: Number of At-Risk Children and Children with Disabilities Served December 1 in Kentucky’s State-Funded Preschool Program 2008-2018**



Between December 1, 2017 and December 1, 2018, total enrollment of preschool students increased from 20,859 to 21,358. Since 2016, the trend is upward for both children with disabilities and at-risk preschool children. Reasons for the increase may include implementation of a unified early childhood quality rating improvement system, Kentucky All STARS, as well as the preschool partnership grant, a competitive grant opportunity designed to incentivize public-private partnerships between school districts and child care providers.

*Summary of Issue:* 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 2019-2020 school year.

**Table 1. Preschool rates for at-risk and disabilities 2013-2014 through 2019-2020**

Categories	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
At-Risk	\$3355	\$3385	\$4,682	\$4,180	\$4,110	\$3,491	<b>\$3,372</b>
Speech/Language	\$3355	\$3385	\$4,682	\$4,180	\$4,110	\$3,491	<b>\$3,372</b>
Developmental Delays	\$3355	\$3385	\$4,682	\$4,180	\$4,110	\$3,491	<b>\$3,372</b>
Severe/Multiple Disabilities	\$6375	\$6428	\$8,896	\$7,943	\$7,810	\$6,634	<b>\$6,406</b>

*Budget Impact:* A third round of preschool partnership funding was made possible by language in House Bill 303 (2018), the enacted budget bill. There are 52 grants being implemented statewide, and partnerships are focused on using instructional programs that are developmentally appropriate and contain an emphasis on research-based early numeracy and literacy teaching

strategies. According to analysis by Northern Kentucky University, 83 percent of these programs served more children in 2017-2018 than in 2016-2017.

In addition, the Kentucky Governor’s Office of Early Childhood was awarded a \$10,620,000 federal Preschool Development Grant (PDG). This one-year grant focuses on strengthening Kentucky’s comprehensive early childhood system to support all young children and their caregivers, with an emphasis on highly vulnerable children and children in rural or limited accessibility areas of the state. There is an opportunity for Kentucky to compete for additional federal funding. The KDE, Kentucky Education Workforce Development Cabinet and Cabinet for Health and Family Services are collaborating with the Governor’s Office of Early Childhood to implement the grant and accomplish the goal of improving the quality of Kentucky’s system of early care and education.

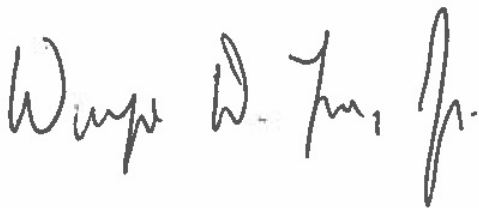
**GROUPS CONSULTED AND BRIEF SUMMARY OF RESPONSES:**

Staff consult regularly with multiple stakeholder groups, including the Governor’s Office of Early Childhood, Early Childhood Advisory Council, Child Care Advisory Council, Cabinet for Health and Family Services and Prichard Committee, about action needed to increase quality and access to early learning environments.

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**Commissioner of Education**

Category: <input type="checkbox"/> District Innovation	<input type="checkbox"/> Strengthening Educators	<input checked="" type="checkbox"/> Family/Community Involvement	
<input checked="" type="checkbox"/> Student/Family Supports	<input checked="" type="checkbox"/> Student Interventions	<input type="checkbox"/> Coursework Completion	<input type="checkbox"/> Accountability Reporting