

KENTUCKY DEPARTMENT OF EDUCATION STAFF NOTE

Topic: 2020-2021 Preschool Grant Allotment System and Funding Rates

Date: June 2020

Action Requested: ☐ Review ☒ Action/Consent ☒ Action/Discussion

Held In: ☒ Full Board ☐ Curriculum, Instruction and Assessment ☐ Operations

SUMMARY OF ISSUE BEFORE THE BOARD:

To review and approve the 2020-2021 Preschool Grant Allotment System and Funding Rates.

COMMISSIONER'S RECOMMENDATION:

The Commissioner recommends that the board approve the preschool per-child rates for 2020-2021. The rates are based upon the budget approved by the 2020 General Assembly.

APPLICABLE STATUTE OR REGULATION:

KRS 157.3175, 702 KAR 3:250

BACKGROUND:

Existing Policy:

Created in 1990, the state-funded preschool program is available to 3- and 4-year-old children with disabilities and 4-year-olds whose household income falls within 160% of federal poverty guidelines. Children who do not meet eligibility requirements may still participate if space is available. 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 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 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 2019-2020.

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

Preschool Enrollment Category	12/1/19	3/1/20	Average	Per-Child Rate	Total
At-Risk	68	64	66	\$3,625	\$239,250
Speech	18	20	19	\$3,625	\$68,875
Developmental Delay	9	11	10	\$3,625	\$36,250
Severe	5	5	5	\$6,889	\$34,445
					\$378,820

Based on available preschool funding, the district develops the following budget for the 2020-2021 school year.

Description	Budget
Certified Permanent Salary	\$ 215,213
Classified Regular Salary	\$ 128,373
Classified Overtime Salary	
Employer FICA Contribution	\$ 7,552
Employer Medicare Contribution	\$ 4,984
KTRS Employer Contribution	\$ 6,457
CERS Employer Contribution	\$ 13,139
KSBA Unemployment Insurance	\$ 497
Workers Compensation	\$ 584
General Supplies	\$ 706
Print	\$ 658
Travel	\$ 657
	\$378,820

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 General Assembly enacted a one-year austerity budget for 2020-2021. Early versions of the House budget bill included language to increase preschool eligibility from 160% to 175% of the

federal poverty level. The Senate’s version of the budget bill included funding for the Preschool Partnership Grants. However, these changes were not included in the enacted budget.

The 2020-2021 preschool allocation is \$84,481,100. This represents an increase from \$76,981,100 allocated in 2019-2020. Despite the increase, many districts will need funding from other sources to ensure access and deliver high quality, comprehensive services. School districts must combine local, state and federal funds to ensure service delivery.

Figure 1: State-Funded December 1 Count 2009-2019

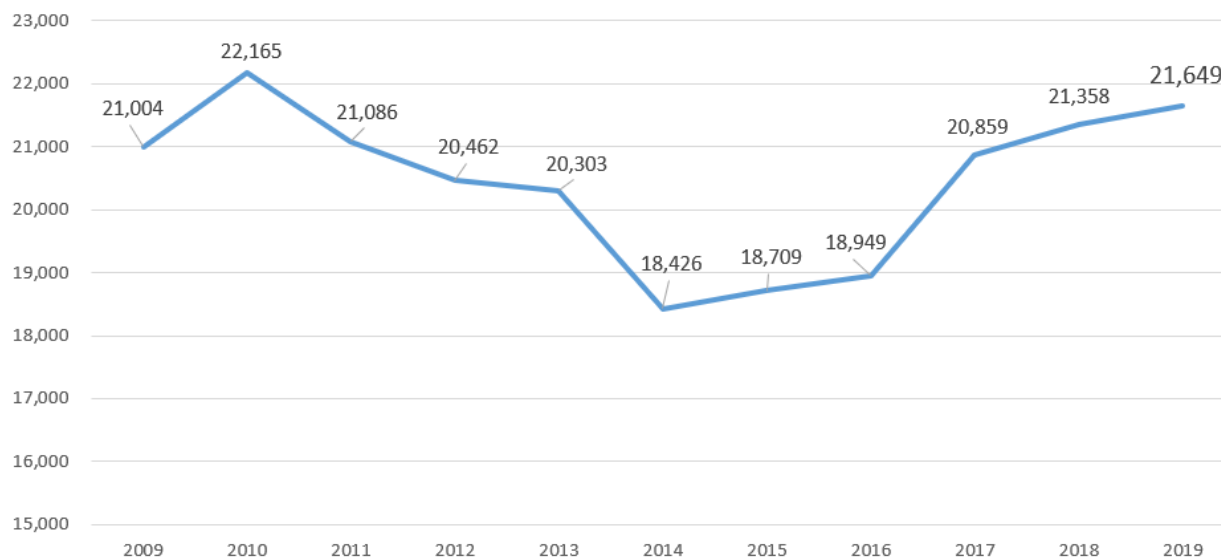
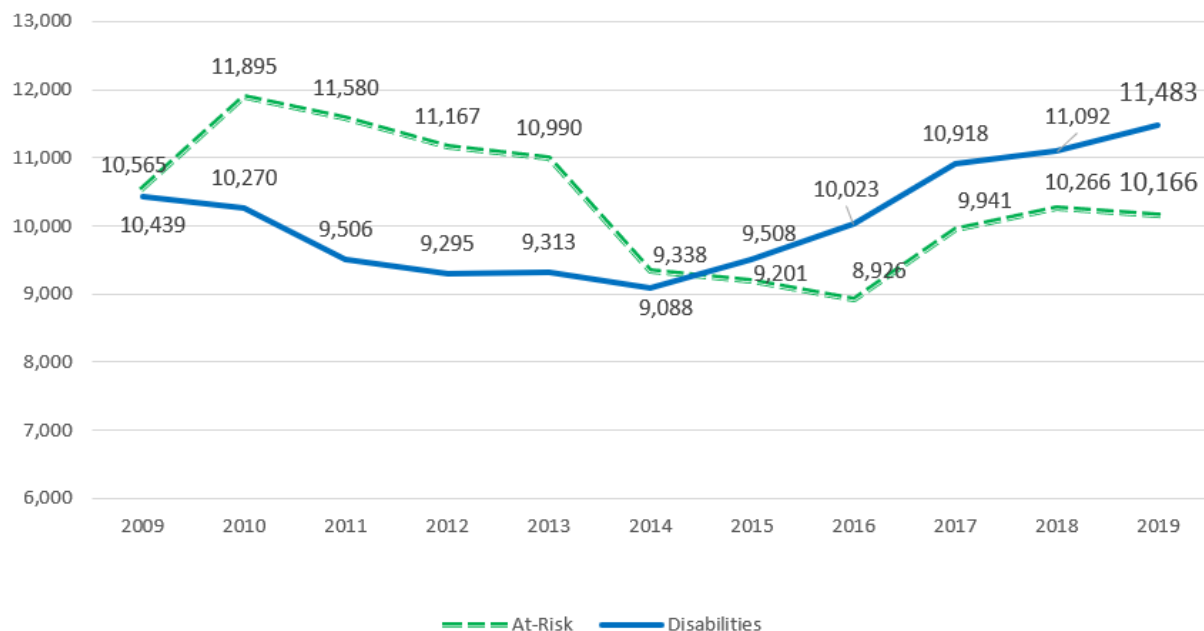


Figure 2: Number of At-Risk Children and Children with Disabilities Served December 1 in Kentucky’s State-Funded Preschool Program 2009-2019



Between December 1, 2018 and December 1, 2019, total enrollment of preschool students increased from 21,358 to 21,649. Since 2016, the trend is upward for both children with disabilities and at-risk preschool children, although the number of at-risk children dropped slightly in 2019. Reasons for the overall 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 childcare 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 2020-2021 school year.

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

Categories	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
At-Risk	\$3385	\$4,682	\$4,180	\$4,110	\$3,491	\$3,372	\$3,625
Speech/Language	\$3385	\$4,682	\$4,180	\$4,110	\$3,491	\$3,372	\$3,625
Developmental Delays	\$3385	\$4,682	\$4,180	\$4,110	\$3,491	\$3,372	\$3,625
Severe/Multiple Disabilities	\$6428	\$8,896	\$7,943	\$7,810	\$6,634	\$6,406	\$6,889

Budget Impact:

This spring more than 400,000 Kentuckians filed for unemployment insurance due to the pandemic. There are approximately 55,900 four-year-old children in Kentucky. An unprecedented number of 4-year-old children may qualify for the state-funded preschool program in 2020-2021, and school districts must be equipped and ready to serve additional children. New and innovative partnerships will be needed between school districts, Head Start programs and childcare centers to avoid long term damage to program quality and student enrollment resulting from the COVID-19 crisis.

In addition, Kentucky school districts will have broad authority to use Coronavirus Aid, Relief and Economic Security (CARES) Act funding, approximately \$193.2 million. School districts will be encouraged to direct a portion of this funding to supplement and not supplant the existing state-funded preschool program.

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Interim Commissioner of Education

Category:	<input type="checkbox"/> District Innovation	<input type="checkbox"/> Strengthening Educators	<input 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