



City of San Antonio

Legislation Details (With Text)

File #: 19-2975

Type: Miscellaneous Item

In control: City Council A Session

On agenda: 5/2/2019

Title: Ordinance approving the Pre-K 4 SA FY 2020 Budget for the fiscal year beginning July 1, 2019 and ending on June 30, 2020 in the amount of \$47,647,248.00 as adopted by the Pre-K 4 SA Board of Directors on April 9, 2019. [Peter Zanoni, Deputy City Manager; Sarah Baray, Ph.D., CEO, Pre-K 4 SA]

Sponsors:

Indexes: Pre-K 4 SA

Code sections:

Attachments: 1. FY 2020 Personnel Complement, 2. FY 2020 Adopted Budget, 3. Draft Ordinance, 4. Ordinance 2019-05-02-0364

Date	Ver.	Action By	Action	Result
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DEPARTMENT: Pre-K 4 SA

DEPARTMENT HEAD: Sarah Baray, Ph.D.

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Pre-K 4 SA FY 2020 Budget

SUMMARY:

An Ordinance considering approval of the Pre-K 4 SA program FY 2020 Budget for the fiscal year beginning July 1, 2019 and ending on June 30, 2020, and personnel complement as adopted by the Pre-K 4 SA Board of Directors on April 9, 2019.

BACKGROUND INFORMATION:

Pre-K 4 SA is currently in its sixth year of operations. In 2011, Mayor Julian Castro convened a blue ribbon taskforce of Chief Executive Officers, Superintendents, and educational professionals to identify the most effective method for improving the quality of education in San Antonio. The Brainpower Taskforce recommended the development of a program focused on high quality prekindergarten services for four-year-old

children.

In November, 2012, the San Antonio voters approved 1/8th of a cent sales tax to fund the Pre-K 4 SA Initiative for an initial eight-year period. The program would address the provision of high quality prekindergarten education to four-year-olds by focusing on four critical pillars: High-quality full-day Pre-K instruction and student services provided at four Education Centers throughout the City of San Antonio serving 500 students at each Education Center, which totals 2,000 students; family engagement with innovative opportunities for families to learn and support children; professional development opportunities for pre-k through 3rd grade educators citywide; and competitive education grants to provide funding for San Antonio education providers.

Pre-K 4 SA is governed by an eleven-member Board of Directors appointed by City Council. Board Members serve two-year staggered terms. The program is self-supported with a 1/8 cent sales tax approved by voters in 2012. The program does not receive any revenue from the City's General Fund. The program's business model is to partner with independent school districts. Pre-K 4 SA receives eligible four-year-olds enrolled in the districts and their half-day state funding. In return, the program educates the four-year-olds and provide professional development services. Current partner schools include East Central ISD, Edgewood ISD, Harlandale ISD, Northside ISD, North East ISD, San Antonio ISD, Southside ISD, Southwest ISD, and New Frontiers Public Schools.

City staff provided City Council with an overview of the Pre-K 4 SA program's FY 2020 Budget during the April 17 "B" session. The Pre-K 4 SA Board of Directors bylaws, which were approved by City Council, require the Annual Budget to be adopted by the Board before May 1 each year and approved by City Council prior to the start of the new program year on July 1.

ISSUE:

Pre-K 4 SA is a comprehensive initiative with four components designed to improve the quality of early childhood education throughout San Antonio: 1) four model Education Centers serving 2,000 children annually; 2) family outreach and engagement; 3) free, best-in-class professional development for early childhood educators; and 4) competitive grants providing \$4.2 million annually in support of Pre-K 4 programming in public, private, charter, and parochial schools and child development centers. Pre-K 4 SA operates in partnership with eight independent school districts.

The four Pre-K 4 SA Education Centers, located in the North, South, East and West quadrants of San Antonio, serve 500 students each in a full-day program with free extended hour learning for working families. Every Pre-K 4 SA classroom is staffed with a certified teacher and credentialed assistant teacher who have specialized training. For FY 2020, Pre-K 4 SA will have a total of 104 Certified Teachers, 101 Assistant Teachers, 65 Full-Time Teacher Assistants, and 31 Part-Time Teacher Assistants. The program will have a total of 431 authorized positions. Pre-K 4 SA has budgeted for full-day security coverage at all four education centers with security services that may include the use of SAPD officers for the 2019-20 school year. The Education Centers meet national standards for high quality early childhood education and serve as demonstration sites to assist other pre-kindergarten programs improve quality. The Education Centers also serve as incubators of innovation to test new ideas that are shared with pre-kindergarten programs across the city.

The Professional Learning department at Pre-K 4 SA provides a comprehensive program that offers coaching services to educators from public, private, charter, and parochial schools and child development centers

throughout the year to demonstrate best-practices in early childhood education.

Pre-K 4 SA distributes \$4.2 million in grants each year to school districts, charters, private and parochial schools, and child development centers throughout San Antonio. Pre-K 4 SA grant funding helps to increase the quality of programs and the number of full-day seats. Funds allow education partners to go from half-day to full-day service, decrease student-teacher ratio, increase teacher credentials, and implement high quality curriculum.

Through the various components of the program, Pre-K 4 SA reaches approximately 42,000 students annually. This includes children served at the four Education Centers, and through competitive grants and professional learning opportunities for educators.

Recently, Pre-K 4 SA partnered with The Urban Education Institute at the University of Texas at San Antonio to evaluate the impact of Pre-K 4 SA on long-term social and academic outcomes for young children in San Antonio. The impact study was conducted by Michael Villarreal, Director of the Urban Education Institute in the College of Education and Human Development. This community impact study analyzes students who enrolled in prekindergarten during Pre-K 4 SA's first academic year (2013-2014) of operation. Later cohorts will be added as they reach third grade.

The initial results of the Community Impact Study demonstrate that the Pre-K 4 SA has increased the number of children attending prekindergarten in San Antonio and created a surge of awareness on the importance of early childhood education.

Pre-K 4 SA produced positive academic outcomes for students enrolled in the first year of the program (2013-2014). Students enrolled in Pre-K 4 SA had stronger STAAR (State of Texas Assessments of Academic Readiness) scores for reading and math, better attendance, and lower need for special education services when compared to students in public prekindergarten and those without participation in any prekindergarten program.

This study complements the annual external evaluation conducted by Westat which primarily focuses on outcomes during the prekindergarten year at the Pre-K 4 SA Education Centers.

Below is an overview of the Board of Director's Adopted Operating Budget for FY 2020 to include major program areas.

Revenues	Adopted Budget FY 2020
Dedicated Sales Tax	\$38,034,844
State/Local Match	4,296,600
Planned Use of Fund Balance	3,043,176
USDA (Food)	1,499,123
Sliding Scale Tuition	721,875
Interest/Misc. Revenue	51,630
<i>Total Revenues & Transfers</i>	<i>\$47,647,248</i>
Operating Expenses and Transfers	Adopted Budget FY 2020
Pre-K 4 SA Education Center Services	\$26,253,150

Facilities Leases & Maintenance	6,562,980
Competitive Grants	4,769,741
Professional Learning	2,031,961
Administration	1,686,199
Public Relations/Marketing	828,602
Transportation Services	815,335
Enrollment/Attendance Services	769,446
Program Assessment	312,136
Sales Tax Collection Fee	760,697
Debt Service Payments	1,990,550
Transfers to other Funds	866,450
<i>Total Budget</i>	<i>\$47,647,248</i>

The Pre-K 4 SA program utilizes 1/8 cent of a local sales tax levied within the City of San Antonio city limits. Sales tax makes up 85.3% of the Pre-K 4 SA total revenue.

The FY 2020 sales tax budget of \$38,034,844 assumes a 3.5% growth rate as compared to the updated FY 2019 estimated sales tax revenue of \$36,748,642. This estimate was used to calculate the FY 2020 Sales Tax Budget and reflects 8 months of actual sales tax revenue (July-February) combined with projected revenue for the remainder of the Pre-K 4 SA Fiscal Year (March-June).

The FY 2019 Sales Tax estimate has been revised as compared to the estimate presented to Pre-K 4 SA Board of Directors on February 19, 2019 during a mid-year budget review as the City has received additional sales tax for February. The FY 2020 Sales Tax Budget reflects a 3.9% increase over the estimate presented in February.

The State/Local Match is revenue that Pre-K 4 SA receives from each of the participating school districts. The school districts receive state and local funds per student enrolled, and then send a portion to Pre-K 4 SA to offset the operating costs of educating the students. The USDA (Food) program is revenue from a US Department of Agriculture nutrition reimbursement program that allows Pre-K 4 SA to receive funds for a portion of each meal provided to the students. Also, Pre-K 4 SA offers sliding scale tuition for families that do not meet state eligibility requirements to attend prekindergarten, or reside in a non-participating school district.

The FY 2020 Board of Director's Adopted Annual Expenditure Budget reflects a 0.7% increase from the FY 2019 Adopted Annual Budget. Pre-K 4 SA will accept a total of 2,000 students for the 2019-2020 school year. Appropriations are required for the hiring of Education Center staff, food service, and other expenses required for the daily operations of each Education Center.

ALTERNATIVES:

City Council could choose to not approve the FY 2020 Pre-K 4 SA Budget and request changes to the budget by Pre-K 4 SA. In this event, the Pre-K 4 SA Board of Directors would need to amend their adopted Budget and forward the budget to the City Council for approval.

FISCAL IMPACT:

This action will not impact the City's General Fund Budget. The FY 2020 Pre-K 4 SA program Budget, as adopted by the Board of Directors on April 9, 2019, is \$47,647,248. This action also will allow for any budget adjustments necessary to reflect internal services and indirect cost assessments originally authorized in the City's FY 2019 budget.

RECOMMENDATION:

Staff recommends that City Council approve the FY 2020 Annual Budget as recommended and adopted by the Pre-K 4 SA Board of Directors on April 9, 2019.