



City of San Antonio

Agenda Memorandum

File Number:16-6218

Agenda Item Number: 7.

Agenda Date: 2/7/2017

In Control: Early Childhood Education Municipal Development Corporation Board of Directors

DEPARTMENT: Pre-K 4 SA

DEPARTMENT HEAD: Sarah Baray, Ph.D.

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Updates to Tuition Policy

SUMMARY:

This action provides a briefing and board action to update the tuition policy to reflect the following changes:

- Create a 0% scholarship for eligible families residing in a capped participating school district
- Remove the penalty currently within the sliding scale policy that requires families with less than 4 persons to pay above the 1-4% thresholds
- Update the tuition payment schedule from 10 monthly payments per year to nine payments by omitting the May payment

BACKGROUND INFORMATION:

Pre-K 4 SA created a sliding scale tuition policy to allow a limited number of families in non-participating districts and families earning above state income guidelines for Pre-K to enroll their children in a Pre-K 4 SA Education Center. Mirroring the Texas Food Program reimbursement rates, the policy set a rate of 1% of earned income for families who meet state qualifications for Pre-K but are not in a participating school district, and a 2-4% earned income rate for families earning above state Pre-K income guidelines.

During Fall 2016, Pre-K 4 SA reviewed the sliding scale tuition rates and observed that the Texas Food Program (TFP) reimbursement rates were based on an average household size of 4. As a result, when Pre-K 4 SA adopted the TFP rate structure, a penalty for households of 2 and 3 was inadvertently created. Households of fewer than 4 pay slightly above the base rate of 1%, 2%, 3%, or 4%. This policy change removes the penalty

for families with a household size of two and three.

Pre-K 4 SA currently bills scholarship and tuition families in 10 monthly installments, with the final payment due during the final week of school. Because the final payment is due so late in the school year, many families do not pay. This policy change reduces the number of monthly installments to nine.

ISSUE:

This item requests Board approval and consideration for the following components:

- Create a 0% scholarship for eligible families residing in a capped participating district
- Remove the penalty currently within the sliding scale policy that requires families with less than 4 persons to pay above the 1-4% thresholds
- Update the tuition payment schedule from 10 monthly payments per year to nine payments by omitting the May payment

ALTERNATIVES:

The tuition policy would proceed as currently administered.

FISCAL IMPACT:

An estimated \$500 loss in yearly revenue for each student accepted as a free scholarship student. Staff estimates a max of 50 students or \$25,000.

An estimated \$58,000 reduction in yearly revenue for removing the penalty families with a household size of two or three would be charged within sliding scale tuition.

Yearly revenue reduction would be approximately \$83,000 per year or \$332,000 over the next four years of the program.

The estimates above are based on current year data. As Pre-K 4 SA accepts mostly new families from year to year, these dollars amounts will change.

RECOMMENDATION:

Pre-K 4 SA staff recommends the approval of updates and revisions to the Pre-K 4 SA tuition policy.