



City of San Antonio

Agenda Memorandum

File Number:18-2965

Agenda Item Number: 1.

Agenda Date: 5/9/2018

In Control: City Council B Session

DEPARTMENT: Pre-K 4 SA

DEPARTMENT HEAD: Sarah Baray, Ph.D.

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Pre-K 4 SA FY 2019 Budget

SUMMARY:

During the May 9, 2018 "B" Session, staff will present the Pre-K 4 SA FY 2019 Budget adopted by the Pre-K 4 SA Board of Directors on April 3, 2018. The Council is scheduled to consider approving the FY 2019 Pre-K 4 SA Budget on May 17, 2018 as required by the Pre-K 4 SA bylaws.

BACKGROUND INFORMATION:

City staff will provide City Council with an overview of the Pre-K 4 SA FY 2019 Budget adopted by the Pre-K 4 SA Board of Directors. The Board of Directors bylaws, approved by City Council, require that City Council approve the program's annual Budget on or before July 1 of each year. As stated in the bylaws, an Annual Budget is required to be adopted by the Board by May 1 each year and approved by City Council prior to the start of the new fiscal year on July 1. Council consideration of the Board of Director's Adopted FY 2019 Budget is scheduled for the Council "A" session on May 17, 2018.

ISSUE:

Below is an overview of the Board of Director's Adopted Operating Budget for FY 2019 to include major program areas.

Revenues	Adopted Budget FY 2019
Dedicated Sales Tax	\$36,355,835
Planned Use of Fund Balance	4,334,403
State/Local Match	4,352,400
USDA (Food)	1,480,139
Sliding Scale Tuition	731,250
Interest/Misc Revenue	51,270
<i>Total Revenues & Transfers</i>	<i>\$47,305,297</i>

Operating Expenses and Transfers	Adopted Budget FY 2019
Pre-K 4 SA Education Center Services	\$24,606,700
Facilities Leases & Maintenance	6,294,438
Competitive Grants	4,808,462
Professional Learning	1,977,879
Administration	1,682,587
Public Relations/Marketing	868,759
Transportation Services	789,337
Enrollment/Attendance Services	775,730
Program Assessment	307,035
Sales Tax Collection Fee	727,117
Debt Service Payments	3,400,803
Transfers to other Funds	1,066,450
<i>Total Budget</i>	<i>\$47,305,297</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. The FY 2019 sales tax budget assumes a 3.8% growth rate from FY 2018 estimated sales tax revenue. Sales tax makes up 84.6% of the Pre-K 4 SA total revenue.

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 2019 Board of Director's Adopted Annual Expenditure Budget reflects a 2.0% decrease from the FY 2018 Adopted Annual Budget. Pre-K 4 SA will accept a total of 2,000 students for the 2018-2019 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.

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. Pre-K 4 SA has a total of 100 Certified Teachers, 101 Assistant Teachers, 56 Full-Time Teacher Assistants, and 25 Part-Time Teacher Assistants. The program has a total of 416 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 2018-19 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. Since 2013, Pre-K 4 SA has provided training for over 5,000 educators in San Antonio. In 2017 alone, Pre-K 4 SA trained over 1,900 educators.

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 46,000 students annually. This includes 2,000 children at the four Education Centers, over 4,500 through competitive grants, and upwards of 40,000 through professional learning opportunities for educators.

ALTERNATIVES:

The Board of Director's Adopted FY 2019 Budget will be placed on the agenda for the May 17, 2018 "A" Session. City Council could choose to not approve the Board of Director's Adopted FY 2019 Pre-K 4 SA Budget and request changes to the budget by the Corporation. In this event, the Corporation's Board of Directors would need to amend their adopted Budget and forward the budget to the City Council for approval.

FISCAL IMPACT:

This is a briefing only and will not impact the City's General Fund Budget. The City Council is scheduled to consider approving the FY 2019 Pre-K 4 SA Budget on May 17, 2018, as required by the Pre-K 4 SA bylaws. The FY 2019 Pre-K 4 SA adopted Budget is \$47,305,297.

RECOMMENDATION:

This is a staff briefing. Staff intends to take the Pre-K 4 SA FY 2019 Adopted Operating Budget to City Council for consideration on May 17, 2018.