



# City of San Antonio

## Agenda Memorandum

### File Number:

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**Agenda Item Number:** 11

**Agenda Date:** May 29, 2025

**In Control:** City Council A Session

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**DEPARTMENT:** Pre-K 4 SA

**DEPARTMENT HEAD:** Dr. Sarah Baray

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Pre-K 4 SA FY 2026 Budget and Personnel Complement

**SUMMARY:**

Ordinance approving the Pre-K 4 SA FY 2026 Budget for the fiscal year beginning July 1, 2025 and ending on June 30, 2026 in the amount of \$60,522,244, and personnel complement as adopted by the San Antonio Early Childhood Education Municipal Development Corporation Board of Directors on May 21, 2025.

**BACKGROUND INFORMATION:**

In August 2012, the San Antonio City Council authorized the creation of the San Antonio Early Childhood Education Municipal Development Corporation under Chapter 379A of the Texas Local Government Code (the Better Jobs Act). The Corporation was established to advance early literacy by expanding access to high-quality early childhood education.

In November 2012, San Antonio voters approved a 1/8-cent sales tax to fund the Pre-K 4 SA initiative for an initial eight-year term. The initiative was reauthorized by voters in November 2020, extending the sales tax through June 30, 2029. Pre-K 4 SA is governed by an eleven-member Board of Directors appointed by the Mayor and City Council. The program is independently

funded and does not receive revenue from the City's General Fund.

Pre-K 4 SA is a citywide initiative aimed at improving access to high-quality early learning through four strategic components:

1. Education Centers – Four model centers serve 2,000 children annually, meeting national standards and functioning as innovation hubs and demonstration sites for early education.
2. Family Engagement – Programs and outreach efforts support family economic mobility and student success.
3. Professional Learning and Grants – Investments in public, private, and parochial early learning and care providers to elevate quality citywide.
4. Venture Solutions – Development of public-private partnerships to expand the supply of high-quality early learning opportunities.

Pre-K 4 SA supports a broader ecosystem of early learning through assistance to other programs. In partnership with Edgewood ISD, Pre-K 4 SA operates the Gardendale Early Learning Program, serving 275 children in Pre-K to 2nd grade. As the lead agency for the Early Learning Shared Services Alliance of San Antonio, Pre-K 4 SA coordinates a network of 94 early learning providers serving more than 4,500 children and families. Pre-K 4 SA provides Shared Services Alliance members with business coaching, pedagogical coaching, and leadership development to increase the quality of services to children and families and the business sustainability of providers.

Independent evaluations confirm the program's long-term impact. Pre-K 4 SA improves kindergarten readiness, increases school attendance, reduces the need for special education services, and boosts 3rd grade math and reading performance. A 2019 cost-benefit analysis by Westat, the University of Pennsylvania, and Teachers College at Columbia University estimated that Pre-K 4 SA generated \$59 million in benefits during its first eight years.

On May 8, 2025, City Council received a programmatic update and an informational briefing on the proposed FY 2026 Pre-K 4 SA Annual Budget. The budget was adopted by the Board of Directors of the San Antonio Early Childhood Education Municipal Development Corporation on May 21, 2025.

#### **ISSUE:**

This ordinance approves the Pre-K 4 SA FY 2026 Budget for the fiscal year beginning July 1, 2025, and ending on June 30, 2026.

#### **Personnel Complement.**

The four Pre-K 4 SA Education Centers, located in the North, South, East and West quadrants of San Antonio, provide children a full-day program with free extended hour learning for working families. Pre-K 4 SA also operates the Gardendale Early Learning Program in partnership with Edgewood ISD. Pre-K 4 SA classrooms are staffed with certified teachers and credentialed assistant teachers who have specialized training in early education. The FY 2026 Pre-K 4 SA personnel complement consists of 502 authorized positions, which includes 104 certified teachers, 12 Associate Teachers, 100 Assistant Teachers, and 101 Teacher Aides. The proposed budget includes funding for SAPD to provide full-day security coverage at Pre-K 4 SA education centers.

**Annual Operating Budget.**

Below is an overview of Pre-K 4 SA's Annual Operating Budget for FY 2026 to include major program areas.

<b>Revenues</b>	<b>FY 2026 Budget</b>
Dedicated Sales Tax	\$51,767,318
State/Local Match	\$2,705,185
USDA (Food)	\$1,419,869
Sliding Scale Tuition	\$880,353
Interest/Misc. Revenues	\$607,583
Fund Balance	\$3,233,998
<b><i>Total Available Funds</i></b>	<b><i>\$60,614,306</i></b>
<b>Operating Expenses and Transfers</b>	<b>FY 2026 Budget</b>
Model Schools	\$29,760,447
Operational Systems & Services	\$3,260,392
Facilities, Leases & Maintenance	\$6,307,069
Grants	\$4,960,073
Innovation Sites	\$2,302,101
Program Evaluation & Research	\$509,286
Outreach, Engagement & Communications	\$2,850,931
Administration	\$1,417,166
Sales Tax Collection Fee	\$1,035,346
South Building Project	\$4,250,000
City Assessments	\$2,470,737
Transfers to Other Funds	\$1,398,696
<b><i>Total Budget</i></b>	<b><i>\$ 60,522,244</i></b>

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 90% of the Pre-K 4 SA total revenue.

The FY 2026 sales tax projection of \$51,767,318 assumes a 2% increase in revenue as compared to the FY 2025 estimated sales tax revenue of \$50,752,273.

The State/Local Match is revenue that Pre-K 4 SA receives from each of seven participating school districts. Pre-K-eligible children enrolled at the Pre-K 4 SA Education Centers may be dually enrolled in their local school district. The school districts receive state and local funds per student enrolled. A portion of this funding is sent 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 Pre-K 4 SA FY 2026 Proposed Annual Operating Budget reflects a 7% decrease from the FY 2025 Adopted Annual Operating Budget. 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:**

Consideration of this item is required by the Pre-K 4 SA bylaws. If City Council does not approve this item as presented, then the Pre-K 4 SA Board of Directors will be required to present an amended budget to Council for approval. Pre-K 4 SA is unable to make any expenditures until a budget has been adopted by the Board of Directors and approved by City Council.

**FISCAL IMPACT:**

This action will not impact the City's General Fund Budget. The FY 2026 Pre-K 4 SA program Budget, as adopted by the Board of Directors on May 21, 2025 for \$60,522,244. 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 2025 budget.

**RECOMMENDATION:**

Staff recommends that City Council approve the FY 2026 Annual Budget as recommended and adopted by the San Antonio Municipal Development Corporation Board of Directors on May 21, 2025.