



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 32

Agenda Date: May 18, 2023

In Control: City Council A Session

DEPARTMENT: Pre-K 4 SA

DEPARTMENT HEAD: Dr. Sarah Baray

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Pre-K 4 SA FY 2024 Budget

SUMMARY:

Ordinance approving the Pre-K 4 SA FY 2024 Budget for the fiscal year beginning July 1, 2023 and ending on June 30, 2024 in the amount of \$59,100,241.00, and personnel complement as adopted by the San Antonio Early Childhood Education Municipal Development Corporation Board of Directors on May 9, 2023.

BACKGROUND INFORMATION:

In August 2012, City Council authorized the creation of the San Antonio Early Childhood Education Municipal Development Corporation for the purposes of increasing literacy through high quality early childhood education in accordance with Chapter 379A of the Texas Local Government Code, known as the Better Jobs Act. In November 2012, San Antonio voters approved a 1/8th of a cent sales tax for the benefit of the Corporation to fund the Pre-K 4 SA Initiative for an initial eight-year period. In November 2020, voters approved a reauthorization of the 1/8th of a cent sales tax for an additional eight-year period, funding the program through 2029. Pre-K 4 SA is governed by an eleven-member Board of Directors appointed by City Council serving two-year staggered terms. The program does not receive any revenue from the City's General Fund.

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 support of Pre-K 4 SA programming in public, private, charter, and parochial schools and child development centers.

Pre-K 4 SA distributes grants to increase the quality of programs providing early learning and care. Funds allow education partners to implement Pre-K 4 SA's proven practices in their own programs. This includes low student-teacher ratios, increased teacher credentials, and high-quality curriculum and assessments. As part of the grants program, Pre-K 4 SA operates the Gardendale Early Learning Program in partnership with Edgewood ISD. Through this partnership, Pre-K 4 SA and Edgewood ISD are building a model program to serve children in prekindergarten through second grade. The program is expected to enroll 300 children for the 2023-24 school year and serve as a replicable demonstration site.

Through the various components of the program, Pre-K 4 SA reaches approximately 58,000 students annually. This includes children served at the four Education Centers and through competitive grants and professional learning opportunities for educators.

Independent evaluations demonstrate that San Antonio's investment in high quality early learning has had a positive effect in children even beyond their enrollment in Pre-K 4 SA. The program closes the gap in kinder readiness and has lasting effects including better attendance, decreased need for special education services, and better 3rd grade math and reading scores. A 2019 cost-benefit study by researchers from Westat, University of Pennsylvania, and Teacher's College at Columbia University calculated that after subtracting the costs of the program, Pre-K 4 SA returned over \$59 million in benefits to the San Antonio community in its first eight years.

By design, Pre-K 4 SA does more than provide an outstanding educational experience to children who attend a Pre-K 4 SA school. Pre-K 4 SA also increases access to high-quality early learning by supporting other early learning programs through grants and professional learning. Since receiving grant funding from Pre-K 4 SA, six partner districts and two schools in the Archdiocese system have increased the quality of their prekindergarten programs as measured by the National Institute of Early Education Research (NIEER) Prekindergarten Benchmarks, which are associated with long-term benefits for children. NIEER ranks Texas public prekindergarten programs as meeting only four of the 10 benchmarks, among the lowest in the nation. In contrast, every Pre-K 4 SA partner district and school meets at least 6 benchmarks. Two districts meet more than eight benchmarks, making them Gold Standard programs.

During the April 19 "B" Session, City Council was provided with a programmatic update and informational briefing on the Pre-K 4 SA FY 2024 Annual Budget that was adopted by the San Antonio Early Childhood Education Municipal Development Corporation Board of Directors on May 9, 2023.

ISSUE:

This ordinance approves the Pre-K 4 SA FY 2024 Budget for the fiscal year beginning July 1, 2023 and ending on June 30, 2024.

Personnel Complement. Every Pre-K 4 SA classroom is staffed with a certified teacher and credentialed assistant teacher who have specialized training. The FY 2024 Pre-K 4 SA personnel complement consists of 490 authorized positions, which includes 104 Certified Teachers, 104 Assistant Teachers, 4 Associate Teachers, 69 Full-Time Teacher Assistants, and 36 Part-Time Teacher Assistants. In addition, the personnel complement includes 11 Assistant Teachers, 3 Associate Teachers, and 3 Full-Time Teacher Assistants to support the Gardendale Early Learning Program. 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 2023-2024 school year.

Annual Operating Budget. Below is an overview of Pre-K 4 SA's Adopted Annual Operating Budget for FY 2024 to include major program areas.

Revenues	FY 2024 Adopted Budget
Dedicated Sales Tax	\$51,452,747
State/Local Match	1,741,253
USDA (Food)	1,317,441
Sliding Scale Tuition	471,725
Intergovernmental	749,878
Interest/Misc. Revenues	457,477
Fund Balance	34,355,576
Total Available Funds	\$90,546,094
Operating Expenses and Transfers	FY 2024 Adopted Budget
Model Schools	\$27,481,394
Operational Systems & Services	2,920,619
Facilities, Leases & Maintenance	7,770,415
Grants	3,441,885
Innovation Sites	1,722,604
Professional Learning	4,478,032
Program Evaluation & Research	717,507
Outreach, Engagement & Communications	2,667,489
Sales Tax Collection Fee	1,029,055
Administration	1,627,816
Transfers to Other Funds	5,243,425
Total Budget	\$59,100,241

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 57% of Pre-K 4 SA available funds. The FY 2024 sales tax budget of \$51,452,747 assumes a 4% increase in revenue as compared to the FY 2023 estimated sales tax revenue of \$49,415,239.

The State/Local Match is revenue that Pre-K 4 SA receives from each of eight 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 Intergovernmental revenue includes Child Care Relief Funds and grant funds received from the Texas Workforce Commission to support the expansion of the San Antonio Shared Services Alliance.

The Pre-K 4 SA FY 2024 Adopted Annual Operating Budget reflects a 12% increase from the FY 2023 Adopted Annual Operating Budget. Pre-K 4 SA will accept a total of 2,000 students for the 2023-2024 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, including the expansion of services to 3-year-old children. The budget also supports the addition of 23 positions to increase instructional support, reduce reliance on temporary services, and provide support for the enhancement of educational services.

ALTERNATIVES:

City Council could choose to not approve the FY 2024 Pre-K 4 SA Budget and request changes to the budget by Pre-K 4 SA. In this event, the 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 2024 Pre-K 4 SA program Budget, as adopted by the Board of Directors on May 9, 2023, is \$59,100,241. 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 2023 budget.

RECOMMENDATION:

Staff recommends that City Council approve the FY 2024 Annual Budget as recommended and adopted by the San Antonio Municipal Development Corporation Board of Directors on May 9, 2023.

