

# City of Philadelphia



## Commission on Universal Pre-Kindergarten **Financing Meeting** November 12, 2015 – 8-10am Friends Center, Rufus Jones Room

*Co-chairs in attendance:* Sharon Easterling, Loretta Jemmott.

*Commissioners in attendance:* Anna Wallace Adams (*representing Rob Dubow*), Catherine Blunt, Miriam Calderon (*via phone*), Tracey Campanini (*representing Michelle Figlar, via phone*), Diane Castelbuono, Donna Cooper, Jennifer Duffy, Anne Gemmell, Vanessa Garret Harley Pheng Lim, Reuben Jones, Terry Shaner Wade (*representing Michelle Figlar, via phone*)

*Observers:* Kelly Colvin (*representing Temple University's Center on Regional Politics*), Quibilia A. Divine, Steve Honeyman, Dolores Shaw

*Staff in attendance:* Christie Balka, Maia Jachimowicz, David Tusio, Eva Gladstein, Mary Horstmann, Kristian Ogungbemi, Kitt Disston, Jackie Dunn

### **I. Welcome** – Sharon Easterling

- Recap of past meetings including most recent discussion with Dr. Steven Barnett
  - i. Importance of state budget talks to this discussion: current negotiations fund Pre-K increase at \$30 million statewide, considerably less than Philadelphia was banking on. Sharon reminded Commissioners of the need to advocate for more in state funding.

### **II. Site Visit Recap** – Loretta Jemmott

- Visited STAR 1 facility (Primary Colors) and STAR 4 facility (Family Support Services)
  - i. Differences between two sites:
    1. Facilities; materials available
    2. Lessons; class size; structure of activities (ex: phonetic alphabet song)
    3. Behavior of children; how they interacted with teacher
- Challenges facing providers in improving their quality:
  - i. Primary Colors – recruiting quality staff; engaging parents
  - ii. Family Support Services – administrative burdens in Keystone STARS

- Low income providers are very isolated, but Keystone STARS can be a way to break that barrier and open up support and discussion

### III. **Presentation:** Financing Pre-K in Philadelphia

- *See Powerpoint attached*
- Slide 4 – State and Federal Funding Sources in Philadelphia – Miriam Calderon
  - i. Head Start – comprehensive early education program
    1. Eligibility based on income – mostly 100% of poverty level or below
    2. Uses a federal-to-local funding model
      - a. Generally federal government makes local funding decisions
    3. Child Care and Development Block Grant goes directly to states
      - a. About \$5 billion nationwide in mandatory and discretionary funding
    4. State can transfer up to 30% of TANF funding to early education
      - a. Pennsylvania has done this in the past but not routinely
  - ii. Title I – assistance to students in high poverty areas
    1. Can be used for preschool
    2. School district can allocate all or some of the funding
    3. Can also be used to coordinate with preschool that are not a part of the district
    4. Title I currently has \$14 billion in federal funding nationwide
  - iii. Title III – services for English language learners
    1. Given based on population of English language learners by area
    2. Generally funds do not extend far enough
    3. For children ages three and up
    4. If school district serves children under 3, some funding can be used in preschools
  - iv. IDEA – funding for children with disabilities ages 3-5
    1. Sometimes combined with other services (e.g. can provide partial support for inclusive pre-k classrooms)
    2. Recommended that the Commission learn more about how this funding can be used
  - v. Pre-K Counts – state-funded preschool for \$90 million a year
    1. Governor Wolfe’s budget currently proposes \$120 million for Pre-K (see note above)
      - a. Beginning in 2016 per-child funding will be \$8,500 (school day/school year)
    2. Pre-K Counts prioritizes the most high risk communities
      - a. Beginning in 2016 up to local communities to prioritize eligibility for children with established risk factors (e.g.



- b. Census data of similar occupations and education levels
      - 2. Based on average, not starting salaries
      - 3. Based on full day/full year model with 30% benefits built in
    - iii. Important to note that assistant teachers with associate degrees will receive considerable raises on par with ‘benchmarked’ associate degree salaries
    - iv. Programs are funded with multiple sources, each with distinct program models and compliance requirements. Currently there is very little blending of funding to adequately compensate teachers because it is difficult to do well
- Slide 13 – Cost Estimates – Miriam Calderon
  - i. These numbers are to give people a framework to understand aggregate cost and revenue
    - 1. Significant amount will be from subsidy, Pre-K Counts
    - 2. We will need to have a conversation about take up rates
  - ii. System costs to be budgeted into per-child cost when being taken to scale
    - 1. Coaching in DC schools costs about \$2 million annually
      - a. 25 coaches in 400 classrooms across 68 schools
    - 2. Curriculum cost was at least \$1 million
  - iii. Kenney administration is currently targeting 15-18,000 kids
- Slide 14 – Cost Estimates – Sharon Easterling
  - i. Breaking down by poverty level and take-up rate
  - ii. Number per child does not include special education or ESL
- Slide 17 – State Funding: Potential New Sources – Donna Cooper
  - i. Annual increases for Pre-K Counts and subsidy
  - ii. Goal for Wolf administration is an additional \$120 million for 2015-2016
    - 1. Republican proposal was \$30 million
    - 2. Administration also aims to increase number of children served by high quality slots
  - iii. Increasing states funds modestly or on an annual basis
- Slide 18 – Local Funding to the School District – Jackie Dunn
  - i. Purpose is to give a comparison of how much school district typically receives from which sources. Legislation establishing this Commission says funds are not to be taken away from K-12 education for pre-k
  - ii. Philadelphia doesn’t rely as heavily on property taxes as rest of PA
- Slide 19 –Recent Local Tax Efforts to Fund School District – Jackie Dunn
  - i. Property tax relief for Philadelphia currently being negotiated
  - ii. Pre-K Counts significantly reduces special education placement costs from K-12
  - iii. There is a possibility of PILOTs (Payment In Lieu of Taxes from tax-exempt nonprofits) but they are difficult to negotiate and enforce with universities and other non-profits

1. Boston and Providence both used PILOTs to fund pre-K
  - a. *Request to share studies with the Commission*
2. Part of it requires getting the buy-in from the business community
3. Often considered not worth the effort for the total raised
- iv. Needed revenue is also a question of take-up rate
  1. Not everyone eligible will choose to send their child to pre-k
  2. NYC currently has a 60-65% take-up rate of 4 year olds and it's rising
  3. DC has 80% rate for 3 year olds, and 95-98% for 4 year olds
    - a. Fewer 3 year old classrooms in affluent neighborhoods
- v. Will be serving 20,000 children a year
  1. 6,000 4 year olds currently being served by the school district, 3,000 3 year olds
  2. 12,000 – 50 p
  3. ~2,000 in charter schools
    - a. Important to not exclude charter schools from equation but they represent a small fraction of our population in question
  4. Also important to consider families moving out of city before K
- vi. Commission needs to decide 3, 4, or 3 and 4 year olds
  1. First year start of 3 year olds and second year 3 and 4 year olds?
    - a. Depends on facility capacity
    - b. Also a matter of bringing high quality facilities to capacity
  2. *Proposal – start with 3 and 4 year olds and expand geographically*
    - a. We will propose question at community meeting
    - b. In the meantime, continue to track options using variable take up rates (75% and 90%)
    - c. In building financial model, assume lower take up rate in first years of program, leading to higher rates once the program becomes known and programs more widely available

#### **IV. Community Meetings – Catherine Blunt**

- Purpose is for the community to learn about Commission and present concerns
  - Inviting residents, child care providers, parents etc.
  - Will provide fact sheet and short educational portion
- First meeting will be next Thurs. Nov. 19 at West Philadelphia High School at 5:30pm
  - David will send flyers to Sharon to distribute to providers
  - We will need to find translators for each neighborhood's respective languages
    - Vanessa Garrett-Harley has access to interpreters at DHS
    - Will also need to translate flyers and invitations
    - *Reuben Jones will spearhead this effort*
- Mayor-Elect Kenney will be holding town halls in the same time frame

- Commissioners are strongly encouraged to come support pre-K conversation at town halls
- Find the full schedule for Town Halls [here](#)
  - *Talking points can be provided for commissioners - email Kitt*

**V. Discussion of Draft Report Content – Mary Horstmann**

- Add a sub header in ‘Benefits’ the includes return on investment
  - Including long and short-term benefits for school district and city as a whole
  - Ask Steve Barnett to outline benefits of narrowing the achievement gap
  - Include benefits of raising wages of workers
- Include a section that discusses input received from the community
  - Could be included under ‘Current Landscape’
- Include a section about quality improvement
  - Providing supports to upgrade from STAR 1 and 2
  - Bringing people into STARS program with supports
- Add directives to SERK and to CCIS on how to increase STARS participation
- In the ‘Model’ section, can we include multiple model suggestions?
- Include section about the role of the school district and the transition to Kindergarten

**VI. Wrap-Up – Sharon Easterling and Loretta Jemmott**

- **Next full Commission meeting will be December 15 at 8am in MSB room 1450**
- First Brown Bag Lunch - this Tuesday, November 17, 12pm
  - i. 1234 Market St., 16<sup>th</sup> Floor
  - ii. We will be discussing financing in more depth
- First Community Meeting – this Thursday, November 19, 5:30pm
  - i. West Philadelphia High School, 4901 Chestnut Street