

Governor's Education Reform Commission
Early Childhood Education Subcommittee
March 26, 2015
Notes

I. Welcome by Subcommittee Chair, Commissioner Amy Jacobs

- a) Reviewed agenda
- b) Next meeting: capacity issues
- c) Introduced Rebecca Reeves who went over rules of engagement from last meeting
- d) Rebecca introduced Dr. Jim Squires with the Center on Enhancing Early Learning Outcomes (CEELO)

II. Financing of State-Funded Pre-K Programs: National and Regional Perspectives, Dr. Jim Squires

- a) The NIEER Yearbook looks at Pre-K funding nationwide
- b) Data for the yearbook comes from annual online surveys completed by each state
- c) Cost per child is the best way to compare from state to state
- d) Funding per child now is \$1,000 less than a decade ago
- e) Access has plateaued
- f) Program monitoring has decreased
- g) 32% of four year olds nationwide are served in state funded Pre-K, special education, or Head Start
- h) GA serves approximately 60% of four year olds making it one of the top states on this indicator

i) How do states fund Pre-K?

- i) Entitlement
- ii) Quasi-entitlement
- iii) Targeted
- iv) Appropriation limit
- v) Separate DOE/DECAL program formula
- vi) Competitive grants to programs/regions

j) Sources of Funding for Pre-K

- i) State
 - (1) School funding formula: open enrollment
 - (2) School funding formula: restricted enrollment
 - (3) Some states use other types of formulas or no formulas
- ii) Federal
- iii) Local

k) Where does Georgia stand in the yearbook?

- i) 8th nationally for access
- ii) 28th nationally for state spending
- iii) 29th nationally for total spending
- iv) Quality – 8 out of 10 benchmarks, compared to 10 out of 10 in 2011

l) Looking at the southeast region

- i) The south is one of the strongest regions for early childhood education

m) Some considerations for Funding Pre-K

- i) Sources of funding
- ii) Program criteria
- iii) Teacher certification – Most states in the region require teachers in public and private settings to have a bachelor's degree
- iv) Criteria for allocating funding
 - (1) Program characteristics, quality, class composition, teacher qualifications, geographic considerations

- v) Accountability for results –Not an easy indicator to monitor or implement; gauges whether programs are making a difference for children
- n) Cost modeling – Helps to answer question of adequacy of funding and includes variables such as:
 - i) Group size and ratio
 - ii) Child/family characteristics (income, DLL, Special Ed)
 - iii) Staffing/Compensation
 - iv) Non-personnel expenses
 - v) Quality level
 - vi) Professional development

III. Pre-K Provider Survey: March 2015, Dr. Bentley Ponder

- a) Strengths of Georgia’s Pre-K Program
 - i) Access, quality, professional development, Summer Transition Program, assessment, data/research, continuous quality improvement
- b) Key findings of Pre-K Directors’ Survey
 - i) Overwhelmingly, Georgia’s Pre-K directors thought that Georgia’s Pre-K has strengthened Georgia’s educational system and is a critical component in preparing children for their K-3 experiences.
 - ii) When asked how key requirements support the quality of Pre-K programs, project directors rated “Lead Teacher Qualifications” as the highest, and “Assistant Teacher Pay” as the lowest. “Assistant Teacher Pay” and “Lead Teacher Pay” were also ranked low.
 - iii) When asked how the program could better support quality, “reducing class size,” “increasing lead teacher salary,” and “increasing assistant teacher quality” were listed the most.

IV. Overview of Georgia’s Pre-K Program Formula, Woody Dover

- a) The funding
 - i) State lottery funding that pays a per classroom allocation
 - ii) In SFY 15, 33% of appropriated lottery funds were designated for Georgia’s Pre-K Program
 - iii) 4% of SFY 2015 Georgia Pre-K budget was for DECAL program administration
 - iv) Approved GA Pre-K providers receive grant agreements outlining their funds
 - v) Four components of provider grant agreements include: Lead Teacher Salary, Assistant Teacher Salary, Benefits, and Non-Instructional. Assistant Teacher Salary requirement remains consistent across all providers (100% use of funds)
 - vi) Primary funding drivers for GA Pre-K: Provider Type and Location; Teacher Credential; and Class Size
 - vii) Other Budget Items for GA Pre-K: Training & Experience; New Class Start-up Grants; Transportation; and Extended Day
- b) The current cost components used for developing funding rates were originally based on QBE formula for kindergarten classes in 1991-1992.

V. Public Comment, facilitated by Rebecca Reeves

- a) Georgia Child Care Association Representative: Requested that DECAL look at funding Pre-K at the full amount for 22 children
 - i) Rationale: If you lose a child, your funding goes down, but you still have to pay the fixed costs.

VI. Questions from Subcommittee Members (DECAL staff member who responded to the question is identified at the end of the response.)

- a) Why now looking at funding formula?
 - i) When Commissioner came to DECAL, looking at the funding formula was a priority for her because of her budget background, and the Governor created this commission to look at K-12 funding. As part of the Governor’s charge, this ECE subcommittee was formed. – *Commissioner Amy Jacobs*
- b) Is DECAL piloting three year old classrooms?
 - i) No. Our focus now is on improving upon Georgia’s Pre-K program and funding. – *Commissioner Amy Jacobs*
- c) Block grants vs. per pupil rates – differences?

- i) Some states use block grants; you get this amount of money with certain flexibility. Per pupil is more formula driven. – *Jim Squires*
- d) Do any states allow or require copays?
 - i) Six states allow copays; some other states may have income as an eligibility requirement. – *Jim Squires*
- e) How were the benchmarks selected? Statistically proven or policy basis?
 - i) They are a little of both. – *Jim Squires*
- f) Are there statistical correlations between credentials and outcomes?
 - i) Overall, yes, but the strength of the evidence varies across studies. – *Bentley Ponder*
- g) What is the balance for lottery reserve?
 - i) According to the most recent published data, the lottery reserve currently has a balance of approximately \$811 million. However, a portion of the fund must always remain in the reserve. – *Woody Dover*
- h) Does payment based on roster mirror K-12?
 - i) K-12 does adjust for enrollment upward, but Pre-K adjusts upward and downward. – *Woody Dover*
- i) Where does the discretionary funding come from?
 - i) Fixed costs are the 90% lead teachers, 100% assistant teacher, \$1,000 for equipment – the rest is up to the program; no Pre-K requirement for you to spend at 22% on benefits. – *Woody Dover*
- j) Survey: Can we break them down by public private or rural/urban?
 - i) We are always careful with demographic data because it can be easy to identify respondents when you drill down the results across different categories. – *Bentley Ponder*
 - (1) Did ask public/private and will drill down results; did not drill down by region. – *Bentley Ponder*
- k) Children with disabilities
 - i) Will discuss at the next meeting. – *Susan Adams*
 - ii) Three teachers in inclusion classrooms; 3rd teacher is paid for by the school system – not every county offers this. – *Susan Adams*
- l) How many school districts pay Pre-K teachers with K-12 salary?
 - i) We don't know. This is a constantly changing number. – *Susan Adams*
- m) Summer Transition Program
 - i) Currently all federally funded, but with the Governor's budget recommendation for FY 16 allows for 60 additional classrooms. – *Susan Adams*

VII. Group Activity

- a) Facilitators divided large group into four smaller groups.
- b) Each group was assigned two of the following topics to discuss using a set of questions to guide the discussion:
 - i) Lead Teacher Salary and Benefits
 - ii) Assistant Teacher Salary and Benefits
 - iii) Class Size and Roster Based Payments
 - iv) Non-instructional, Administrative Expenses, and Startup Funds
- c) After discussion, each group was to draft no more than four recommendations relating to each topic they discussed.
- d) Recommendations were recorded and displayed on the walls of the room.
- e) Each participant was given four green adhesive dots to place on recommendations they determined were priority; two yellow dots to place on recommendations they determined were less priority.

VIII. Activity Report Out

- a) Topic #1: Lead Teacher Salary and Benefits
 - i) Salary
 - (1) Develop a pay structure based on teacher's years of experience and credential (8 green dots)
 - (2) Develop a pay step structure based on teacher's effectiveness (method to be determined) (9 yellow dots)

- (3) Continue base salary and add funds for years of experience with flexibility for providers to pay the amount determined to be appropriate (3 green dots)
- (4) Make salaries the same across the board for public and private programs (no dots)
- ii) Benefits
 - (1) Establish a restricted funding stream to be used electively by private programs providing health benefits (funds can be used only for health benefit related costs) in addition to the 22% (1 green dot, 2 yellow dots)
 - (2) Increase percentage of benefit monies paid to public school programs up to 50% (2 green dots)
 - (3) Increase benefits to be comparable to K-12 teachers (1 green dot)
 - (4) Expand definition of benefits with parameters (include such things as paid leave, paid child care, holiday pay, payroll taxes, etc.) (2 green dots)
- b) Topic #2: Assistant Teacher Salary and Benefits
 - i) Salary
 - (1) Increase Assistant Teacher salary by 8-11% (\$14,440-\$15,200) (3 green dots)
 - (2) Establish a suggested pay schedule (\$15,000-\$20,000) with a mandatory minimum salary (90%) with incentives based on advancing credentials and providers being eligible or in process of Quality Rated (10 green dots)
 - ii) Benefits
 - (1) Develop and appropriate one-time adjustment that reflects increased costs of benefits since initially established
 - (2) Tag 22% benefit amount to be paid for actual benefits or for professional development that directly impacts the employee
- c) Topic #3: Class Size and Roster Based Payments
 - i) Continue with existing class size of 22 to maintain current level of accessibility with given fiscal constraints (5 green dots, 2 yellow dots)
 - ii) Reduce class size to 20 children with 2 teachers (5 green dots, 1 yellow dot)
 - iii) Roster based payments proration should exclude fixed costs as long as above a certain threshold (e.g., 20 students) (14 green dots)
 - iv) Remove fixed costs from prorated amount
 - v) Base payments after September on average enrollment for each roster cycle
- d) Topic #4: Non-instructional, Administrative Expenses, and Startup Funds
 - i) Cost analysis based on reconciliation report to determine actual amount spent on Pre-K (recommendation should be made based on final cost analysis report)
 - ii) Increase the administrative amount based on current studies on appropriate administrative costs (11 green dots)
 - iii) Start-up funds should be increased to \$12,000
 - iv) Remove the mandate to allow flexibility in use of classroom funds (1 green dot, 4 yellow dots)
 - v) Move Administrator/Director salaries to "fixed" costs
 - vi) 8-10 year refurbishment funds
 - vii) Maintain flexibility currently in place

IX. Adjournment

- a) Next Subcommittee meeting will be held in Tifton, GA on Friday, April 17, after the full Education Reform Commission meeting