

# Seattle Preschool Levy

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## Department Overview

In November 2014, voters approved a four-year, \$58 million Seattle Preschool Services Levy to fund the Seattle Preschool Program (SPP) Action Plan. The purpose of the program is to expand access to affordable, high-quality preschool for Seattle's three- and four-year-olds so that they enter school prepared to succeed and the academic opportunity gap for children is eliminated. The levy funds a demonstration phase of the Seattle Preschool Program that began in 2015 and will grow to serve up to 1,615 children in up to 85 classrooms by the 2018-19 school year.

The SPP closely follows the recommendations of national experts and consultants who advised the City to develop an evidence-based program which builds on community partnerships and the existing network of preschool providers, is accessible to all families, and is realistic and practical.

Department of Education and Early Learning (DEEL) staff administer the Seattle Preschool Levy. The mission of DEEL is to ensure that all Seattle children have the greatest opportunity to succeed in school and in life and to graduate from school ready for college or a career. DEEL oversees implementation of the SPP by contracting for services with community providers, directly providing coaching for preschool directors and teachers, and investing in capacity building (e.g. tuition support for teaching staff to attain required educational credentials, facility construction and renovations, and other organizational supports).

Levy investments are intended to make sure that children are exhibiting appropriate developmental skills by the time they enter kindergarten. Children's growth is supported in all developmental domains including social/emotional health, physical development, cognitive skills, language, literacy, and math.

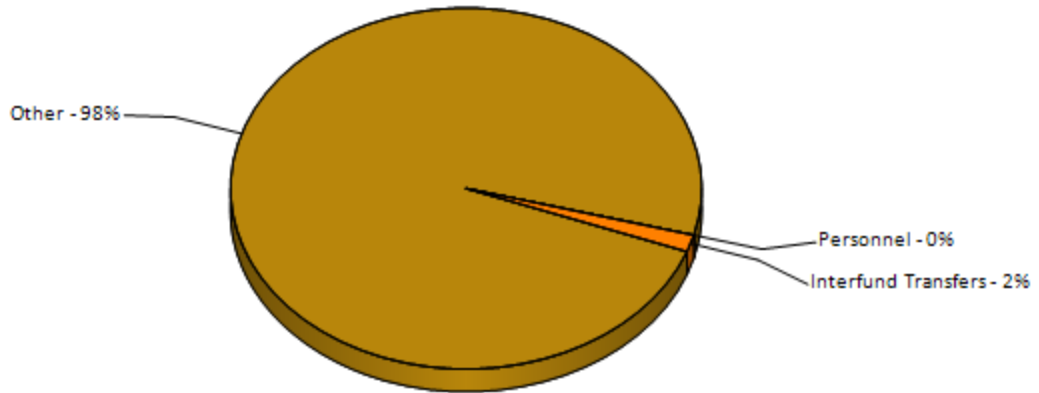
## Budget Snapshot

Department Support	2015 Actual	2016 Adopted	2017 Proposed	2018 Proposed
Other Funding - Operating	\$2,077,266	\$9,037,977	\$14,056,804	\$20,602,337
<b>Total Operations</b>	<b>\$2,077,266</b>	<b>\$9,037,977</b>	<b>\$14,056,804</b>	<b>\$20,602,337</b>
<b>Total Appropriations</b>	<b>\$2,077,266</b>	<b>\$9,037,977</b>	<b>\$14,056,804</b>	<b>\$20,602,337</b>
Full-time Equivalent Total*	0.00	0.00	0.00	0.00

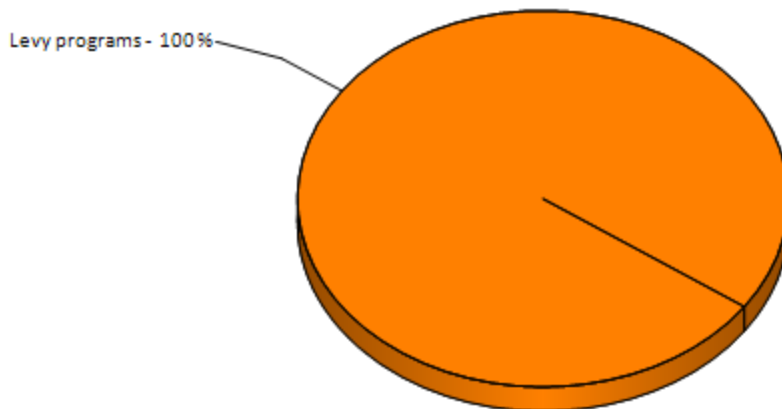
\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.

# Seattle Preschool Levy

## 2017 Proposed Budget - Expenditure by Category



## 2017 Proposed Budget - Revenue by Category



# Seattle Preschool Levy

## Budget Overview

The Seattle Preschool Program builds on the foundation established by the City's investment of Families and Education Levy funds in the Step-Ahead program; the Child Care Assistance Program funded by the City's General Fund; the Early Childhood Education and Assistance Program funded by Washington state and managed by the City; and federal investments in Head Start. The key elements of SPP are based on the expertise of national consultants and researchers, Washington state experts involved with developing the state's early learning strategy, local providers and advocates, key stakeholders and policy makers. SPP reflects the best thinking about how to prepare children for school and eliminate the academic opportunity gap. Levy services include the following:

1. **Administration** funds DEEL staff to provide oversight, administration and leadership for the development of the investments identified above. The levy requires continuous quality improvement, strong community partnerships, and transparency in the program's development.
2. **Capacity Building** funds tuition support for teachers to gain required credentials and facility construction, renovation, and improvements to increase access to quality classrooms. Capacity building funds are supporting the redevelopment of the Parks and Recreation Miller Community Center Annex which will open in September 2017 with four classrooms that will serve up to 80 children.
3. **Contingency** funds provide flexibility for this new investment. SPP requires partnerships with existing programs and for those programs to contribute resources from their existing sources, as well as parent tuition based on a sliding fee scale. While estimates of these resources were based on working with existing providers and funders, the City included contingency funds in case actual recoveries or contributions fall short of expectations.
4. **Program Support** funds professional development and training for preschool directors, lead teachers, and assistants.
5. **Research and Evaluation** funds:
  - external evaluators to assess classroom environments and teacher/child interactions;
  - training for teachers on how to appropriately assess child development;
  - external evaluators to develop and begin a comprehensive evaluation strategy; and
  - data system development to support quality improvement and evaluation.
6. **School Readiness** will continue to fund the expansion of SPP classrooms from 15 classrooms in 2015-16 serving 280 students to 32 classrooms in the 2016-17 school year serving approximately 600 three- and four-year-olds; and between 53-60 classrooms in 2017-18 serving between 1,000-1,140 children. DEEL expects to serve up to 1,615 children in up to 85 classrooms by the end of the levy during the 2018-19 school year.

The 2017-2018 Proposed Budget reflects the level of expenditure described in the financial plan adopted by the City Council in Ordinance 124509. The levy is expected to generate revenues of approximately \$58 million over four years. For 2017, the budget assumes \$16 million in revenue from property taxes and parent tuition. Because programs are phased in, the proposed 2017 budget appropriates only \$14 million of the 2017 revenue. The City will hold excess funds in reserve for latter years when expenditures will exceed earned revenues.

# Seattle Preschool Levy

## Incremental Budget Changes

### Seattle Preschool Levy

	2017		2018	
	Budget	FTE	Budget	FTE
<b>Total 2016 Adopted Budget</b>	<b>\$ 9,037,977</b>	<b>0.00</b>	<b>\$ 9,037,977</b>	<b>0.00</b>
<b>Proposed Technical Changes</b>				
Increase Levy Funding to Administration	\$ 212,806	0.00	\$ 460,964	0.00
Increase Levy Funding to Capacity Building	\$ 209,334	0.00	\$ 315,476	0.00
Increase Levy Funding to Contingency	\$ 121,194	0.00	\$ 282,318	0.00
Increase Levy Funding to Program Support	\$ 649,483	0.00	\$ 1,417,776	0.00
Increase Levy Funding to Research and Evaluation	\$ 72,702	0.00	\$ 132,596	0.00
Increase Levy Funding to School Readiness	\$ 3,753,308	0.00	\$ 8,955,230	0.00
<b>Total Incremental Changes</b>	<b>\$ 5,018,827</b>	<b>0.00</b>	<b>\$ 11,564,360</b>	<b>0.00</b>
<b>2017 - 2018 Proposed Budget</b>	<b>\$ 14,056,804</b>	<b>0.00</b>	<b>\$ 20,602,337</b>	<b>0.00</b>

## Descriptions of Incremental Budget Changes

### Proposed Technical Changes

#### **Increase Levy Funding to Administration - \$212,806**

This adjustment adds funding to the Administration Budget Control Level to reflect the expenditure plan for the Seattle Preschool Program Levy that was adopted by Ordinance 124509. As the number of SPP classrooms increase, administration services also needs to increase to meet the demands of additional enrollment. This enrollment increase will result in a higher volume of accounting transactions, contract activities, financial management duties, and administrative support activities.

#### **Increase Levy Funding to Capacity Building - \$209,334**

This adjustment adds funding to the Capacity Building Budget Control Level to reflect the expenditure plan for the Seattle Preschool Program Levy that was adopted by Ordinance 124509. This additional funding increases the services capacity building will provide to meet the demands of additional enrollment and providers. Such services include teacher tuition assistance, coach training, organizational capacity funds for providers, and classroom equipment for new sites. This funding will be used to award funding for approximately 2 new classrooms and tuition assistance for 1-2 teachers.

#### **Increase Levy Funding to Contingency - \$121,194**

This adjustment adds funding to the Contingency Budget Control Level to reflect the expenditure plan for the Seattle Preschool Program Levy that was adopted by Ordinance 124509. There is no programmatic impact.

# Seattle Preschool Levy

## Increase Levy Funding to Program Support - \$649,483

This adjustment adds funding to the Program Support Budget Control Level to reflect the expenditure plan for the Seattle Preschool Program Levy that was adopted by Ordinance 124509. DEEL provided support to 15 classrooms in the 2015-16 school year. DEEL will use this additional funding to provide more curriculum training courses and deliver professional health services for up to 300 new students in 32 classrooms in the 2016-17 school year and an estimated 53 - 60 classrooms in the 2017-18 school year.

## Increase Levy Funding to Research and Evaluation - \$72,702

This adjustment adds funding to the Research and Evaluation Budget Control Level to reflect the expenditure plan for the Seattle Preschool Program Levy that was adopted by Ordinance 124509. This additional funding provides the same level of research and evaluation services (e.g., program evaluation, provider evaluation, and student assessment) for an increased number of students and classrooms.

## Increase Levy Funding to School Readiness - \$3,753,308

This adjustment adds funding to the School Readiness Budget Control Level to reflect the expenditure plan for the Seattle Preschool Program Levy that was adopted by Ordinance 124509. The School Readiness BCL funds classroom slots at preschools, family engagement, and support for children with special needs. SPP will increase the number of classrooms it operates in both years of the biennium - from 15 in 2015-16 to 32 classrooms in 2016-17 and from 32 to 53-60 classrooms in 2017-18.

## Expenditure Overview

Appropriations	Summit Code	2015 Actual	2016 Adopted	2017 Proposed	2018 Proposed
Administration Budget Control Level	IP500	1,638,419	2,116,001	2,328,807	2,576,965
Capacity Building Budget Control Level	IP300	31,432	2,597,576	2,806,910	2,913,052
Contingency Budget Control Level	IP600	0	243,338	364,532	525,656
Program Support: Professional Development and Training Budget Control Level	IP200	85,704	742,874	1,392,357	2,160,650
Research and Evaluation Budget Control Level	IP400	321,711	687,115	759,817	819,711
School Readiness Budget Control Level	IP100	0	2,651,073	6,404,381	11,606,303
<b>Department Total</b>		<b>2,077,266</b>	<b>9,037,977</b>	<b>14,056,804</b>	<b>20,602,337</b>
<b>Department Full-time Equivalents Total*</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.

# Seattle Preschool Levy

## Revenue Overview

### 2017 Estimated Revenues

Summit Code	Source	2015 Actual	2016 Adopted	2017 Proposed	2018 Proposed
411100	Taxes, Levies, & Bonds	14,391,729	14,440,923	14,476,260	14,505,565
441930	Parent Tuition	0	683,367	1,541,202	2,554,823
461110	Investment Earnings	66,193	0	0	0
461320	Unrealized Gains (Losses)	-13,805	0	0	0
<b>Total Levy programs</b>		<b>14,444,117</b>	<b>15,124,290</b>	<b>16,017,462</b>	<b>17,060,388</b>
<b>Total Revenues</b>		<b>14,444,117</b>	<b>15,124,290</b>	<b>16,017,462</b>	<b>17,060,388</b>
379100	Use of (Contribution to) Fund Balance	-12,366,851	-6,086,313	-1,960,658	3,541,949
<b>Total Use of (Contribution to) Fund Balance</b>		<b>-12,366,851</b>	<b>-6,086,313</b>	<b>-1,960,658</b>	<b>3,541,949</b>
<b>Total Resources</b>		<b>2,077,266</b>	<b>9,037,977</b>	<b>14,056,804</b>	<b>20,602,337</b>

## Appropriations By Budget Control Level (BCL) and Program

### Administration Budget Control Level

The purpose of the Administration Budget Control Level is to administer Seattle Preschool Program funds.

	2015 Actual	2016 Adopted	2017 Proposed	2018 Proposed
<b>Program Expenditures</b>				
Administration	1,638,419	2,116,001	2,328,807	2,576,965
<b>Total</b>	<b>1,638,419</b>	<b>2,116,001</b>	<b>2,328,807</b>	<b>2,576,965</b>

### Capacity Building Budget Control Level

The purpose of the Capacity Building Budget Control Level is to help preschool teachers, assistants, and directors meet the requirements of the Seattle Preschool Program and to provide support for facility development or remodeling.

	2015 Actual	2016 Adopted	2017 Proposed	2018 Proposed
<b>Program Expenditures</b>				
Capacity Building	31,432	2,597,576	2,806,910	2,913,052
<b>Total</b>	<b>31,432</b>	<b>2,597,576</b>	<b>2,806,910</b>	<b>2,913,052</b>

## Seattle Preschool Levy

### **Contingency Budget Control Level**

The purpose of the Contingency Budget Control Level is to provide additional funding to Seattle Preschool Program programs if initial estimates of costs understated the need for resources, and to support quality improvement efforts that arise as the program is phased in.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Proposed</b>	<b>Proposed</b>
Contingency	0	243,338	364,532	525,656
<b>Total</b>	<b>0</b>	<b>243,338</b>	<b>364,532</b>	<b>525,656</b>

### **Program Support: Professional Development and Training Budget Control Level**

The purpose of the Program Support: Professional Development and Training Budget Control Level is to develop the skills of preschool teachers and directors and to provide support so that children are better prepared for school.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Proposed</b>	<b>Proposed</b>
Program Support: Professional Development and Training	85,704	742,874	1,392,357	2,160,650
<b>Total</b>	<b>85,704</b>	<b>742,874</b>	<b>1,392,357</b>	<b>2,160,650</b>

### **Research and Evaluation Budget Control Level**

The purpose of the Research and Evaluation Budget Control Level is to assist Seattle Preschool Program programs in achieving their intended results and to support continuous improvement.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Proposed</b>	<b>Proposed</b>
Research and Evaluation	321,711	687,115	759,817	819,711
<b>Total</b>	<b>321,711</b>	<b>687,115</b>	<b>759,817</b>	<b>819,711</b>

### **School Readiness Budget Control Level**

The purpose of the School Readiness Budget Control Level is to prepare children for school by providing access to full day preschool for Seattle families regardless of income.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Proposed</b>	<b>Proposed</b>
School Readiness	0	2,651,073	6,404,381	11,606,303
<b>Total</b>	<b>0</b>	<b>2,651,073</b>	<b>6,404,381</b>	<b>11,606,303</b>

# Seattle Preschool Levy

## Preschool Levy Fund Table

### Preschool Services Fund

	2015 Actuals	2016 Adopted	2016 Revised	2017 Proposed	2018 Proposed
<b>Beginning Fund Balance</b>	0	9,524,744	12,366,851	18,453,164	20,413,822
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenues	14,444,117	15,124,290	15,124,290	16,017,462	17,060,388
Less: Actual and Budgeted Expenditures	2,077,266	9,037,977	9,037,977	14,056,804	20,602,337
<b>Ending Fund Balance</b>	<b>12,366,851</b>	<b>15,611,057</b>	<b>18,453,164</b>	<b>20,413,822</b>	<b>16,871,873</b>
Reserve for Future Programming	12,366,851	15,611,057	18,453,164	20,413,822	16,871,873
<b>Total Reserves</b>	<b>12,366,851</b>	<b>15,611,057</b>	<b>18,453,164</b>	<b>20,413,822</b>	<b>16,871,873</b>
<b>Ending Unreserved Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Seattle Preschool Levy ends collections in 2018 and fully funds the 2018-2019 school year. As a result, no revenues or expenditures are shown for 2020. To maintain the same level of service an alternative revenue source will be required.