

PREKINDERGARTEN – LEGISLATIVE PROPOSAL

Overview

The Secretaries of Education and Human Services were charged with making recommendations to the Legislature that will "ensure equity, quality, and affordability, and reduce duplication and complexity in the current delivery of prekindergarten services." Sec. 37 of Act 49 of 2017.

The Secretaries agreed that the ten hours of prekindergarten (prek) are intended to serve an educational purpose distinct from general child care and, therefore, should continue to be paid for out of the Education Fund, but that the current system of joint administration of prek is inefficient. Because the source of prekindergarten voucher payments is the Education Fund and the Secretary of Education is the fiscal agent of the Education Fund, the Secretaries recommend that the AOE should be the lead agency to make decisions and administer the prek program and seek efficiency in the voucher system through a centralized payment and accounting system.

Under current law, school districts are required to manage contracts with an unlimited number of private providers, to include the cost of the voucher program for resident children in the district budget and to make payments to multiple private providers. Private providers are required to enter into contracts with multiple school districts who may use different invoicing systems. Under this proposal, AOE will implement a single grant and invoicing procedure for all providers – both public and private – that will streamline the administrative burden at all levels.

The Secretaries also recommend eliminating dual regulation of prek programs (so that AOE regulates public programs and CDD regulates private providers), clarifying the value of the voucher for public and private providers, and clarifying the quality criteria for participation.

Finally, the Secretaries recommend that Legislation provide time to implement these changes – specifically to hire staff, develop a uniform grant and invoicing system, and train participating programs in their use. If the Legislature passed these recommendations early in the session, AOE would be prepared to execute all grants by May 2019.

Section-by-Section Summary

Sec. 1. Amends 16 V.S.A § 829 as follows:

- (a)(1) - Clarifies that the prek voucher is to available 5 year olds only if the child is not eligible for kindergarten. This reflects legislative intent to create a voucher system for prek-age children not an extra year of funding for kindergarten-eligible children. If the intent was to pay for 3 years of prek, that should be clarified instead since it has a budgetary impact. Children determined not to be ready for kindergarten because of identified disabilities or delays may access a third year of prek funding under the current system and that would not change with this amendment.

- (a)(3) - Changes term “prequalified private provider” to “private provider”. The adjective is redundant since the definition already requires the provider to hold a license from CDD.
- (a)(4) - Adds a definition of public provider meaning a program in a public school subject to the jurisdiction of a local school board.
- (b)(2) and (3) - Provides that the Secretary, not the District, pays prek vouchers to private providers. Adds that the Secretary also pays prek vouchers to public providers.
- (b)(4) - Eliminates requirement to develop regional plans for more prek programs (there is no shortage).
- (c) - Eliminates joint rulemaking requirements and sets out statutory requirements for program quality. Private programs must still have national accreditation and meet CDD’s STARS criteria. Private providers must have a licensed teacher on site. A public provider meets program quality by providing direct instruction by a licensed teacher, following SBE rules on quality and safety and being under the jurisdiction of a local school board.
- (d)(1) – Provides that the Secretary directly pays vouchers out of the Ed Fund for the 10 hours; that payment requires an participation notice from the parents or guardian, an enrollment notice from the provider and a request for reimbursement on which the provider certifies it is eligible for public funding under (c).
- Deletes (d)(2) which is inconsistent with payment for 10 hours of prek directly from the Education Fund.
- Provides that a district that provides *in excess of 10 hours* of prek to a district child may count the child in its average daily membership but may not charge for the excess hours.
- (d)(4) – treats a public provider that is not the child’s district of residence the same as a private provider in that they may receive payment directly from the parent or guardian if they provide prek hours in excess of 10. Adds that neither may impose additional fees for the publicly funded hours.
- (e) – Eliminates joint rulemaking; eliminates or modifies some subjects of rulemaking that are inconsistent with AOE payment of vouchers; requires AOE to propose rules to the SBE to establish a process by which tuition payments are requested and related to quality and safety in public prek programs
- Eliminates ability of districts to establish geographic regions (because payment of vouchers moves to the AOE).

Sec. 2. Amends the definition of “average daily membership” in 16 V.S.A § 4001 to provide that *excess hours* (hours in excess of 10) are prorated.

Sec. 3. Amends 33 V.S.A § 3502 to exempt public providers from CDD regulation unless they ask to participate in the child care subsidy program. CDD will continue to regulate private providers but will not have regulatory authority over public providers that are subject to their own school board’s jurisdiction and AOE oversight.

Sec. 4. Provides that these amendments shall take effect on June on May 1, 2019.