City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 8, 2016

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER

SUBJECT: BUDGET MEMO #3: STATUS OF ALEXANDRIA CITY PUBLIC SCHOOLS (ACPS) PROPOSED PRE-K CENTER FUNDING AND PLANNING

SUMMARY: This memo provides information regarding the request by ACPS for an $8.3 million City funding addition to the Proposed City of Alexandria FY 2017 Capital Improvement Program in order to finance estimated capital costs to renovate and outfit a facility intended to be leased by ACPS for a new Pre-K Center. While my proposed capital funding plan for FY 2017 increased the ACPS proposed CIP funding from $32 million to $36 million, the Pre-K Center was not recommended to be funded in FY 2017 for a number of reasons which are discussed below.

The recommendation not to fund this Pre-K facility in FY 2017 was based both on the need to complete a full planning and vetting process, as well as complete an engagement process with key stakeholders involved in early care and education in Alexandria. It is not an anti-Pre-K position as some have assumed, but a pro-Pre-K position that is intended to allow the necessary planning time so that a strong program model can be developed as well as community consensus achieved.

This $8.3 million ACPS request represents an addition to the City's prior ten-year CIP which had not previously been proposed for, nor included, in the previous CIP. It is proposed to be added in the first year of the City's CIP, ahead of many other previously approved and planned projects. Typically major capital projects of the dollar magnitude of this $8.3 million Pre-K funding request are not funded in the first year of a CIP, but enter the CIP at least a few years out and then work their way towards funding in subsequent fiscal years. This allows community planning processes to occur (which tends to refine and make for better projects) and for sufficient public input. It also ensures that before a major project has been funded it has been able to be understood and debated in the community, which helps set community priorities in regard to capital funding. The planned rebuild of Cameron Mills Fire Station 203 is one example of a project that has gradually worked its way year-by-year towards eventual funding in the CIP. Including the Pre-K Center in the FY 2017 CIP funding recommendations would have required the reduction of $8.3 million in other City projects in the CIP or an increase in capital funding in the City operating budget, also at the

expense of other priorities. Once a complete proposal has been developed and agreed upon, then funding could be considered in a subsequent fiscal year such as FY 2018.

BACKGROUND: The Early Care and Education Workgroup (ECEW) is made up of 18 members with representatives from the City of Alexandria, ACPS, Alexandria Health Department, key early childhood service providers in the community, and the philanthropic community. The ECEW has been working since 2012 primarily to implement strategy 2.1 of the Children and Youth Master Plan: "*Support the development and alignment of, and access to, an early care and education system that prepares young children to enter kindergarten.*"

Between 2012 and 2015, the ECEW, supported by private funding and working in a collaborative manner across philanthropic, public and private sectors, contributed significantly to both knowledge on and momentum for early care and education in Alexandria. In 2013 the ECEW published a study entitled "Risk & Reach" which was instrumental in helping to shape collective understanding about the population and risk profile of children under five in Alexandria. Early care and education was also the focus of the summer 2013 Alexandria Community Trust ("ACT") IMPACT Forum. In 2014, the ECEW was selected to attend a public-private partnership (P-3) conference in Seattle. In 2015, the ECEW enabled the creation of a "No Wrong Door" brochure that provides information in multiple languages about Pre-K options throughout Alexandria. In October 2015, the ECEW released "A Common Agenda," which was the culmination of the planning work of the group and the consultant group of FSG. The document outlined the key priorities and strategies that would be employed to fully realize the goal of an aligned and accessible early childhood system.

The agreed upon priorities of the ECEW, as stated in the Common Agenda are:

- Ensure that the early care and education system is easier to access for families, by creating better processes to assess eligibility for services and ensuring more targeted engagement of families not currently reached by early care and education services
- Ensure connections among the prenatal to third-grade provider community so that families receive coordinated and comprehensive support, especially when it comes to health in the early years and the ability to more easily refer families to fitting support services
- Ensure that our services reflect the highest quality standards of local, state, and national evidence-based best practices by providing more professional development for early care and education personnel as well as by aligning curricula and assessment practices
- Ensure that the system is surfacing and sharing data that enables a deeper understanding of progress, trends and gaps in the system collectively, as well as the ability to track longitudinal data for children individually to better understand the impact of our services
- Ensure that the community understands the importance of the early care and education system as well as better understanding what the potential options are to grow resources dedicated to service provision for children and families in the early years
- Ensure that progress is made on system-wide issues, such as understanding the resource requirements needed for realizing our mission across the city and enabling funding to be braided so that needs can be more equitably met in all geographies and across income levels

On December 17th 2015, the School Board approved their CIP plan which included funding for two Pre-K Centers for a total of 720 children in Fiscal Years 2017 and 2021. *Although the ECE*

Workgroup (of which the City and ACPS are members) supports any positive efforts made on behalf of Pre-K, the decision to have a stand-alone building had not been previously been explored by the ECEW as outlined in the aforementioned priorities. Additionally, ACPS discussions with Head Start who, is their largest Pre-K tenant, are at the initial stages.

Since the approval by the School Board in December of the $8.3 million funding request for Pre-K, the ECE Workgroup Steering Committee has convened with ACPS regarding the planning for the Pre-K facility. After an initial kick-off meeting, it was decided to re-engage the consultant group that had previously worked with the ECE Workgroup to assist in the planning process. There are multiple areas that will need to be addressed, including the identification of programs and classroom locations to be included in the first facility, as well as program standards, transportation, financial operating support and staffing. Once a collective plan has been developed with the ECE Workgroup and key stakeholders, consideration will be given for funding in a subsequent fiscal year.

Contemporaneously, the ECE Workgroup and key stakeholders will continue their work, which includes an overall systems approach for children from birth to 3rd grade. Progress will continue to be made in developing services and supports that will increase the number of children ready to enter Kindergarten in Alexandria.

FISCAL STATUS OF PRE-K FUNDING REQUEST: As indicated above, the $8.3 million for a Pre-K facility is not included in the FY 2017 funding year of the Proposed FY 2017 to FY 2026 CIP for the City government and ACPS. If Council wished to add this Pre-K $8.3 million request to the CIP then a debt service amount of $0.5 million would need to be added to the FY 2017 operating budget in the add-delete process. This assumes that the facility lease costs would be debt financed. Funding that add-delete would need to come from either reductions in the proposed operating budget of either the City government or ACPS, or could derive from a portion of the 1-cent optional addition to the real estate tax rate above the proposed FY 2017 base budget that was presented in the FY 2017 budget document.

The part year lease costs for the Pre-K facility ($0.7 million) are included in the proposed FY 2017 City budget in a General Fund school enrollment capacity contingent and could be (1) released to ACPS as part of the May 5 budget adoption; or (2) released at a later date when more details about the Pre-K facility are known. If Council decides not to fund Pre-K at all for FY 2017, then those City contingent funds for Pre-K could be allocated for other budget purposes.

cc: Dr. Alvin Crawley, Superintendent, Alexandria City Public Schools