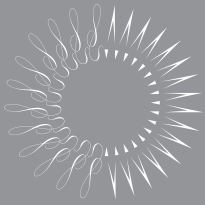


pre[k]now

a campaign of the
Pew Center on the States



THE
PEW
CENTER ON THE STATES

Votes Count:
Legislative Action on Pre-K
Fiscal Year 2010

October 2009



October 2009

Dear Colleagues,

Nationwide, state budget gaps have reached historic proportions, and legislatures are confronting the most difficult appropriations season in nearly a century. Severe shortfalls are necessitating a razor-sharp focus on top priorities as policy makers weigh deep cuts to programs and develop new strategies to generate needed revenue.

In "Votes Count: Legislative Action on Pre-K Fiscal Year 2010," Pre-K Now, a campaign of the Pew Center on the States, reviews state budgets to see which legislatures understand the economic and educational value of high-quality, voluntary pre-kindergarten. In light of the tough fiscal environment, the news for young children is surprisingly good.

In the majority of states, legislators' actions aligned with the research that shows high-quality pre-k provides dramatic returns on investment, improves children's school readiness and supports working families. Though total state investments will be effectively flat in FY10, rising slightly more than 1 percent to \$5.3 billion, lawmakers' choices clearly indicate that early education remains a top fiscal priority – even in these difficult times. By better than two to one, legislatures made concerted efforts to preserve pre-k.

Moreover, how states fund pre-k also has proven to make an important difference in this fiscal climate. In particular, states that include pre-k in their school funding formulas are reaping the rewards of those decisions. Formula-supported programs tend to be more stable and secure, are positioned within the larger public education framework and, for FY10, will receive enrollment-based increases in all nine states that employ this funding method. Additionally, several states are using federal stimulus dollars to bolster pre-k in these difficult times.

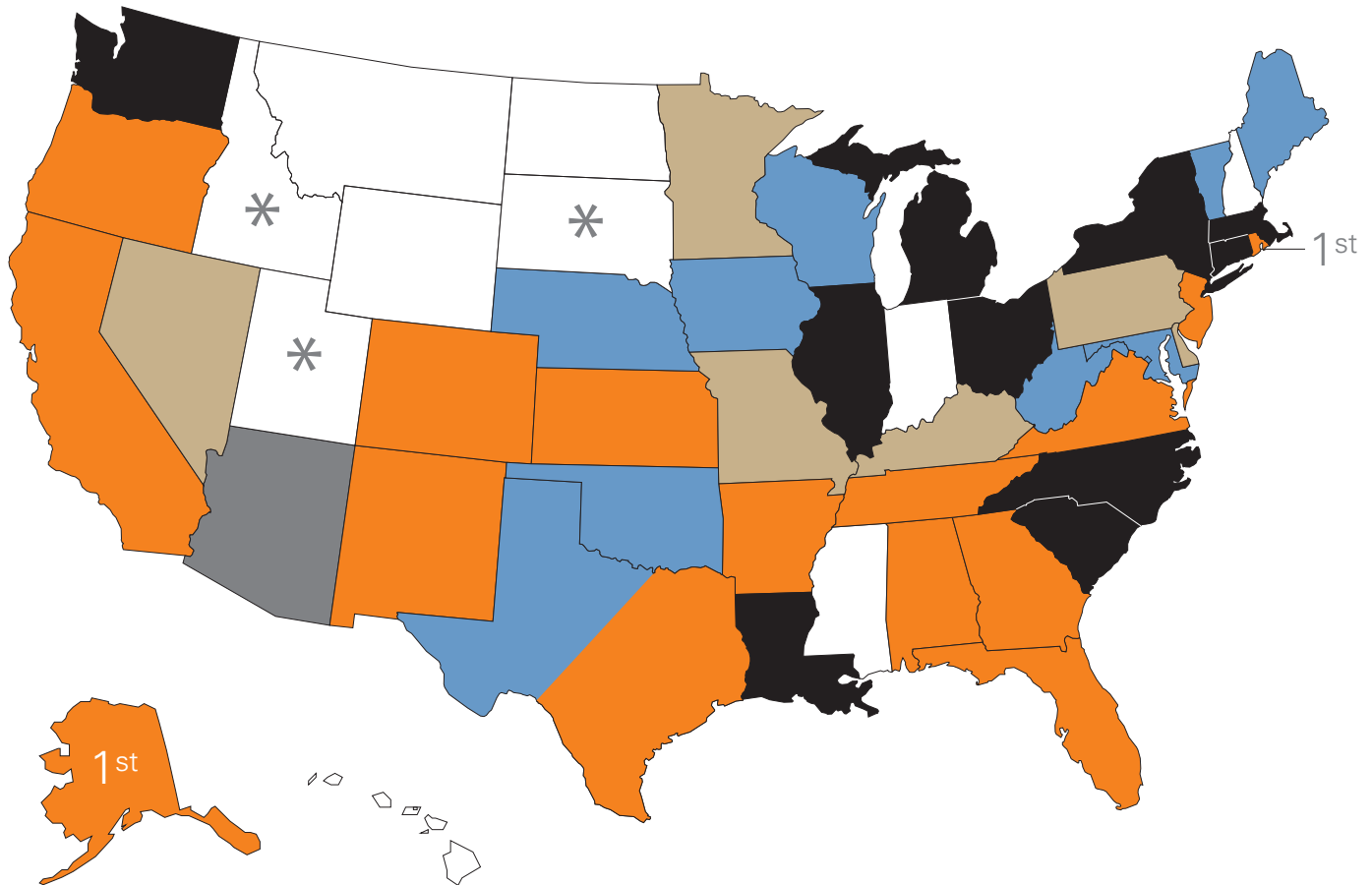
High-quality pre-k is a vital component of our national economic recovery and long-term global competitiveness. Yet, even with the positive pre-k budget news, millions of young children still lack high-quality early learning opportunities, and states have much more to do. The Pew Center on the States applauds leaders who protected pre-k and continues to offer assistance to policy makers in advancing quality early education as part of an evidence-based school reform and economic development agenda.



Susan K. Urahn
Managing Director
The Pew Center on the States

Table of Contents

2	Introduction	6	Going It Alone	12	Missing Guideposts
3	The Rubber Meets the Road		<i>Texas</i>	13	Pre-K Stimulus
4	Getting the Job Done	8	<i>Washington</i>		<i>Florida</i>
	<i>Alabama</i>		Tracking Pre-K-for-All		<i>Maine</i>
	<i>New Jersey</i>		Funding Strategies		<i>Maryland</i>
5	Taming the Wilderness	10	Roll Back		<i>Oregon</i>
	<i>Alaska</i>		<i>Ohio</i>	14	Conclusion
	<i>Rhode Island</i>	11	Political Paralysis	15	Endnotes
			<i>Michigan</i>	16	FY10 Pre-K Budgets at a Glance
			<i>Pennsylvania</i>		



Legislative Action On Pre-K Budgets Fiscal Year 2010

This map shows that for FY10, legislatures in most states, facing severe budget shortfalls, still supported and protected research-based, high-quality pre-k. In 15 states, lawmakers increased pre-k funding, including two with first-time investments. Nine states and the District of Columbia anticipate increases through their school funding formulas. Texas is the only school funding formula state that also passed a legislative increase. Six states flat funded their programs. Another 10 legislatures decreased pre-k investments, and one had not finalized a pre-k budget at press time. Overall state pre-k funding increased by more than \$64 million.

- Increased Investment in Pre-K
- Anticipated Increase through School Funding Formula
- Flat Investment in Pre-K
- Decreased Investment in Pre-K
- Pre-K Budget Not Final at Press Time
- No State-Funded Pre-K
- ✱ State Investment in Federal Head Start Program or Local Initiative

1st First-Time Investment in State Pre-K

Note: Ten states have no state-funded pre-k program: Hawaii, Idaho, Indiana, Mississippi, Montana, New Hampshire, North Dakota, South Dakota, Utah and Wyoming.

Introduction

In states across the country, the fiscal picture has become extremely dire, and lawmakers are struggling to reconcile growing public needs with shrinking revenues. This challenging budget year has highlighted the best as well as the worst practices in high-quality pre-kindergarten policy-making and has separated the true champions for young children from more tepid supporters.

Decades of research have documented measurable gains in young children's school readiness² and a benefit-cost ratio for states of 7:1³ from high-quality pre-k. For FY10, lawmakers in most states continued to recognize the importance of both early education's proven benefits for children and families and its strong returns on investment.

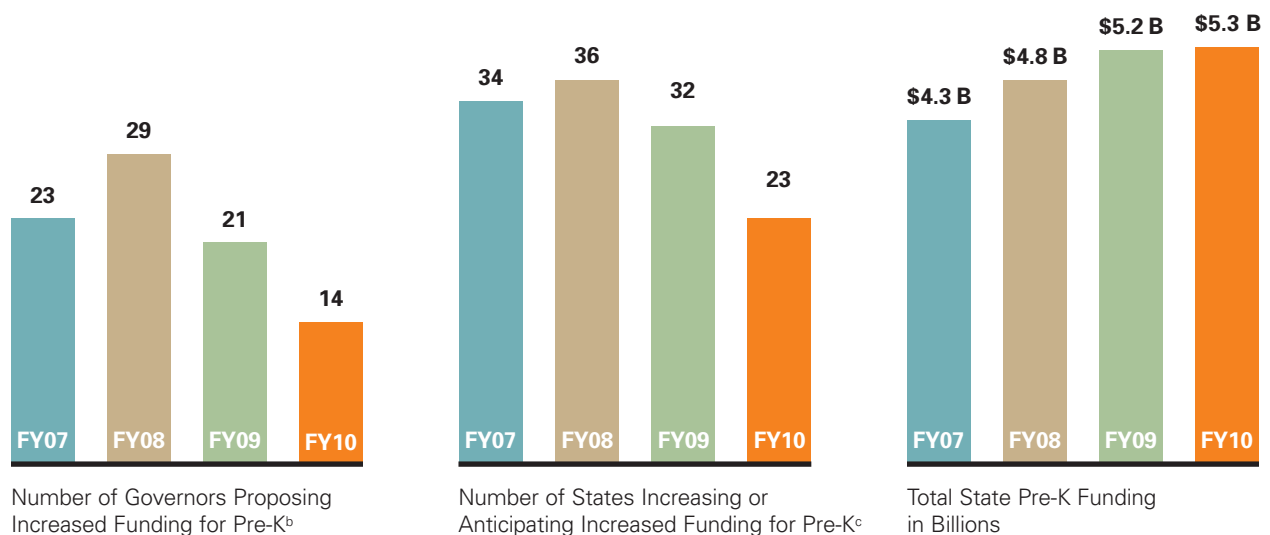
In 27 of the 38 states with existing pre-k programs, as well as the District of Columbia, funding for early education will increase or remain flat. Another two states – Alaska and Rhode Island – approved new pilots. Of particular note, among the states suffering

Majority of States Protect or Increase Pre-K Funding

- Nationwide, state pre-k funding will increase modestly by just slightly more than 1 percent to \$5.3 billion.
- Twenty-nine states and the District of Columbia will see pre-k funding increase or hold steady:
 - Thirteen legislatures increased investment in existing programs by a total of almost \$130 million.^a
 - Two states that had previously provided no state pre-k approved new pilots with inaugural funding of nearly \$3 million.
 - Nine states and the District of Columbia anticipate increases through the school funding formula. The total projected increase from the seven states that provided estimates is \$54.8 million.
 - Six state legislatures protected (flat funded) pre-k spending.
- Ten legislatures decreased pre-k investment, by about \$122 million in total.
- Seven of the 10 states facing the worst budget shortfalls increased or flat funded pre-k.

^a Texas pre-k is funded through the school funding formula and anticipates an increase. The state legislature, however, also approved additional funding for greater access. As a result, Texas is included in the counts for both legislative increasers and school funding formula states.

Figure 1: Trends in State Support for Pre-K Nationwide^a



^a "Votes Count: Legislative Action on Pre-K Fiscal Year 2007," Washington, DC: Pre-K Now, 2006); "Votes Count: Legislative Action on Pre-K Fiscal Year 2008," (Washington, DC: Pre-K Now, 2007); "Votes Count: Legislative Action on Pre-K Fiscal Year 2009," (Washington, DC: Pre-K

Now, 2008); "Leadership Matters: Governors' Pre-K Proposals Fiscal Year 2010," Washington, DC: Pew Center on the States, 2009).

^b These figures do not include the District of Columbia.

^c Ibid.

the 10 worst budget shortfalls,⁴ only two legislatures have approved cuts to early learning programs. Overall, nearly three times as many states flat funded, increased or expect formula-determined increases as cut funding for pre-k.

Where cuts were approved, a dearth of leadership in the face of serious fiscal problems is largely to blame. In Illinois, Michigan and Ohio, in particular, a failure to make tough choices that put proven programs ahead of politics will cost thousands of young children the opportunity to enter kindergarten better prepared. At the same time, rising unemployment and declining economic security mean families are even more in need of publicly funded programs like quality early learning. These cuts leave families without essential supports and lead states astray from the path to recovery. Elsewhere, in Texas and Washington, the governors vetoed strategic efforts to expand pre-k opportunities or improve quality.

Though the present pre-k funding picture is encouraging, in this politically contentious and economically uncertain environment, families with young children are especially vulnerable, and the danger is by no means passed. State budgets are projected to get worse before they get better. Indeed, new shortfalls are already being reported, and many states are projecting fiscal problems to last for years to come.⁵ Lawmakers will soon face even more hard choices and greater pressure to slash investments in pre-k. These leaders must remain steadfast and continue to protect proven, research-based early learning programs that support young families, build economic competitiveness and prepare children to succeed throughout their lives.

The Rubber Meets the Road: Budget Gaps and Pre-K Funding

Nationwide, 45 states are confronting budget shortfalls for FY10. Among the 10 states with the most severe gaps,^a nine currently provide state-funded pre-k. Table 1 shows that by a margin of three to one, lawmakers in the nation's hardest hit states are choosing to protect and even increase investments in early learning programs. These leaders clearly recognize the importance of pre-k's proven returns on investment for states and lifelong benefits for young children and families, especially in these trying times.

^a All budget gap data from: Fiscal Affairs Program, "State Budget Update: July 2009," (Denver: National Conference of State Legislatures, 2009).

Table 1: States with the Top Ten Budget Shortfalls and their FY10 Pre-K Investments

State	Percent Budget Gap	Percent Change From FY09 Pre-K Appropriations ^b
California	35.0%	2%
New York	31.9%	-8%
Nevada	31.6%	0%
Alaska	31.0%	41%
Arizona	29.7%	Unknown
Florida	27.0%	4%
Vermont	25.8%	Anticipated Increase
Hawaii	25.4%	No Program
New Jersey	24.4%	10%
Connecticut	22.2%	-5%

^b For more information on state pre-k appropriations, see chart, beginning on page 16.

Getting the Job Done: Legislatures Prioritize Pre-K Despite Shortfalls

Around the country, severe shortfalls are forcing legislators to take a hard look at every budget item and set clear priorities. Lawmakers in Alabama and New Jersey understand that high-quality pre-k is an essential support in tough times and a wise investment for a better future.

In **Alabama**, strong gubernatorial leadership has been matched by equally stalwart legislative action. Funding for the state's small but high-quality *First Class* pre-k program – one of only two in the nation to meet all 10 National Institute for Early Education Research (NIEER) quality benchmarks⁶ – has grown steadily since FY07. Due to this consistently rising investment, enrollment has doubled to more than 5 percent of four year olds over the same period. For FY10, the legislature approved the governor's proposed 20 percent increase for *First Class*.

Alabama spent many years building a high-quality pre-k program before beginning to expand. Thanks in large part to this quality-first strategy, *First Class* now enjoys strong bipartisan support across state government. Bolstered by political good will and champions within both the Office of School Readiness and the Alabama School Readiness Alliance, pre-k once again stood out to state legislators as an essential program that warranted greater investment – even in this very difficult fiscal year.

New Jersey was initially required by a court ruling to provide high-quality early learning for three and four year olds in the state's lowest-income districts, but lawmakers continue to demonstrate a true commitment to the spirit of the mandate. Since the high-quality *Abbott Preschool Program* launched in 1999, state leaders have provided it with steady support. For FY10, despite a budget gap of more than 24 percent, New Jersey's legislators approved the governor's proposal for continued investment in the state's economic future, increasing pre-k funding by \$52 million to just under \$600 million. The additional resources will support 2,000 more students.⁷

In 2008, lawmakers passed legislation to create a more unified pre-k system in New Jersey that adheres to the highest quality standards and will be funded through the state's school funding formula. The law also planned a substantial expansion to 30,000 children – in districts that do not receive *Abbott* funding – over five years. Though legislators were not able to afford the proposed \$25-million Preschool Incentive Aid program to begin this expansion in the 2009-10 school year,⁸ their actions indicate continued support for a high-quality pre-k agenda.

While the inability to fund expansion to new districts this year is a disappointment for pre-k champions and young children in the state, the legislature's support for high-quality early learning suggests these initiatives remain a priority. In light of one of the nation's worst budget situations, New Jersey legislators have made prudent choices for FY10. Their actions ensure essential educational opportunities for even more of the state's most at-risk three and four year olds, while acknowledging fiscal limitations.

Taming the Wilderness: Two States Start Pre-K Programs Despite Shortfalls

In spring 2009, three governors proposed new pre-k programs. In two of those states – Alaska and Rhode Island – legislators approved those gubernatorial initiatives, charting a course out of the Pre-K Wilderness and toward greater economic competitiveness and better-educated, more successful citizens.

Lawmakers in **Alaska** approved a small pilot pre-k program, initially proposed by the former governor, with first-year funding of \$2 million. The *Alaska Pilot Pre-Kindergarten Project (AP3)* provides for comprehensive services, collaborative program delivery in a range of settings and high quality standards for teacher education, class sizes and adult-child ratios.^a In spite of an enormous budget shortfall of 31 percent, Alaska legislators passed the pilot proposal and also increased the state’s Head Start supplement by more than \$700,000. While these moves are encouraging, especially given the state’s poor fiscal health, lawmakers made only the most limited pre-k commitment, designating the appropriation as nonrecurring and leaving the program open to cancellation after just the first year. Though timid, this foray into early education is an important step for Alaska, and policy makers would be wise to give the program a real chance. The state’s economic future and its young children deserve nothing less.

In **Rhode Island**, advocates, legislative champions and families with young children have seen the long road finally lead out of the Wilderness to a small pre-k program. Based upon a plan devised by the state’s education department, the governor proposed the *Rhode Island Pre-K Demonstration Project*, which includes program delivery in both public and private settings and features research-based quality measures, particularly a bachelor’s degree requirement for teachers. Lawmakers approved the governor’s plan and the \$700,000 funding recommendation. The new demonstration project will mean an overall increase in state early education investments of 50 percent. Even more encouraging, in addition to the four classrooms included in the state budget, two school districts have agreed to fund three additional classrooms with \$450,000 in federal Elementary and Secondary Education Act Title I dollars appropriated under the American Recovery and Reinvestment Act. The seven initial classrooms will welcome 126 four year olds in fall 2009.^b Early learning is a vital part of Rhode Island’s educational success and economic recovery. Especially in the context of the state’s nearly 20 percent budget gap, these first pre-k classes are a harbinger of more prosperous times fueled by strong returns on public investment and a better-prepared generation of young children.

^a “Request for Applications - Alaska Pilot Pre-Kindergarten Project (AP3),” (Juneau: Alaska Department of Education and Early Development, 2009).
^b Leanne Barrett, Email, Aug. 26, 2009.



Going it Alone: Legislatures Strive to Do the Right Thing for Kids

In two states, Texas and Washington, legislators worked to keep early learning moving forward but could not overcome gubernatorial vetoes.

In **Texas**, the targeted *Early Childhood and Pre-Kindergarten Initiative* is included in the state's school funding formula but suffers from inconsistent quality. For FY10, the same lawmakers, who in recent years championed strategic eligibility expansions, moved to enact needed enhancements.

The state's quality-improvement initiative, the Prekindergarten Early Start Grant Program, awards competitive grants to districts for the purposes of implementing program enhancements, such as curriculum and professional development, and fostering school-community partnerships. State Rep. Diane Patrick (R) gathered the support of a bipartisan majority for her bill to increase grant funding and institute important new quality standards. In particular, the legislation required all new grantees to implement class-size limits of 22 students, reduce child-adult

ratios to 11:1 and phase in alignment of teacher-qualification requirements in community-based settings with those in the public schools, where teachers must have a bachelor's degree.⁹

In light of the state's nearly 8 percent budget shortfall, however, the proposed increase was cut significantly from \$300 million to \$25 million for the FY10-FY11 biennium. Rep. Patrick explained the legislature's commitment to higher quality and greater access this way: "We are investing in the future of this state. Investing in pre-k has a greater return than any of the other educational investments we are making."¹⁰

Much to the disappointment of hardworking lawmakers, parents and advocates, the governor vetoed the quality-improvement bill.¹¹ Though he kept the \$25 million increase for the grant program, the governor's decision contrasted with the spirit of bipartisan cooperation that surrounded the legislation and jettisoned important quality standards that research shows are necessary to generate significant fiscal and educational benefits.



Washington State Senators Rosemary McAuliffe (D) and Eric Omeg (D), chair and vice chair of the Senate Early Learning & K-12 Education Committee

Our students, educators and teachers deserve better, and we can't give that to them without changing the way we invest in our schools... We must include early learning as a cornerstone of our school system.

In **Washington**, the high-quality *Early Childhood Education and Assistance Program (ECEAP)*, which served 6 percent of the state's four year olds in 2008,¹² will suffer a funding cut of nearly 3 percent for FY10, reducing enrollment by about 170 children. Despite the cut, lawmakers attempted to preserve some momentum in the state by bringing pre-k into the state's definition of basic education. Though the bill did not include funding provisions, the new language stated that early learning for at-risk children should be included in publicly funded education, just like kindergarten or first grade, and seemed to signal a real intent on the part of state legislators to provide high-quality pre-k for more children.

In a last-minute move that caught early childhood advocates and lawmakers entirely by surprise, the governor vetoed the legislation, citing a concern that the change did not define pre-k as a basic educational requirement for all children. Though the veto was disappointing, the governor did follow up by asking state education agency leaders to develop a proposal for the 2010 legislative session to ensure that all children have the benefit of early learning. Lawmakers and the governor will need to communicate and collaborate effectively to bring that plan to fruition, but should they do so, Washington could be on the path to offering pre-k for all four year olds – a smart strategy for the state's economic future.



Tracking Pre-K-for-All Funding Strategies

Over the past five years, the number of states committed to providing voluntary pre-k for all children has more than doubled to eight, plus the District of Columbia. This impressive momentum was fueled by strong evidence of the educational benefits and potential for return on public investment. So, when the economy was robust and state revenues were predictable, many legislatures seized the opportunity to support early learning growth without upsetting balanced budgets.

Each pre-k-for-all state adopted a unique strategy for expanding, improving and, in particular, paying for their programs: Three states – Iowa, Oklahoma and West Virginia – as well as the District, chose to include pre-k in their school funding formulas. One – Georgia – uses lottery revenues. The remaining four – Florida, Illinois, Louisiana and New York – rely on legislators to make annual pre-k appropriations from the general fund.

With the economy in recession, however, the strengths and weaknesses of these differing funding mechanisms are becoming evident. Pre-k-for-all programs supported by stable revenue streams, especially school funding formulas, which determine allocations based upon enrollment just like K-12, are faring much better than those that are subject to battering by the economic and political winds.



On Track

For FY10, enrollment-based increases are expected in all four states that support pre-k-for-all programs through their school funding formulas. Further, in each of these states, overall education investments were protected from budget cuts:

Oklahoma's *Four-Year-Old Program* remains the nation's pre-k-for-all leader, serving more than 70 percent of its four year olds¹⁴ in diverse, high-quality settings. Due to the high enrollment rate in Oklahoma, increases tend not be dramatic. Yet because they are provided through the state formula, they are consistently sufficient to maintain both the program's high quality and per-child investments on par with those for kindergarten.

The **District of Columbia, Iowa** and **West Virginia** are carrying out pre-k-for-all phase-in plans, with implementation deadlines in the 2013, 2010 and 2012 school years, respectively. All are on track to meet these targets. In Iowa and West Virginia, funding is expected to grow by almost 40 percent and 9 percent, respectively, despite budget gaps of 11.5 percent and 4.5 percent. At press time, the District does not have specific projections but still expects funding to grow with enrollment.

Though lottery funding for education is not without controversy, **Georgia's *Pre-K Program*** will receive an FY10 increase of nearly 4 percent, which will support services for 3,000 more children. The state's consistent pre-k funding increases are due to continued growth in lottery revenues and strong leadership across state government. Funding is not tied directly to enrollment, as is the case for formula-supported pre-k, but is instead appropriated annually from the education lottery and allocated on a program-by-program grant basis. One limitation of this funding structure is that grants are made from a legislative allocation that may not always be sufficient to support additional enrollment or to increase the per-child investment. Partly due to this system, enrollment has hovered around 55 percent of four year olds for nearly a decade,¹⁵ and waiting lists have grown in some parts of the state. So far, Georgia's pre-k-for-all program has benefited from steady increases in lottery revenues. Should that change, however, lawmakers could face difficult choices. The Department of Early Care and Learning's strategic plan sets clear goals for enrollment growth, and policy makers would be wise to explore additional funding strategies before economic realities, such as a decline in lottery revenues, force the issue.

Side Tracked

Louisiana's high-quality *Cecil J. Picard LA 4 Early Childhood Program (LA 4)* is the cornerstone of pre-k-for-all legislation passed in 2008. Backed by a strong coalition of advocates and business leaders, the bill set a deadline of FY14 for the state to provide early learning opportunities for all four year olds. At the time, the legislature's own assessment concluded that taking the first step toward the for-all goal would require the state to appropriate more than \$10.5 million in additional funding for FY10. Unfortunately, the bill did not feature a dedicated pre-k funding source to ensure needed investments would be realized, leaving the program and the phase-in plan vulnerable. Just one year later, lawmakers wrangling with a budget gap of almost 20 percent cut funding for *LA 4* by 7 percent. As a result, though enrollment will grow by 250, per-child expenditures will decrease from \$5,000 to \$4,600.¹⁷ This first setback underscores the need for a secure funding stream. The school funding formula, which, for FY10, will receive a flat per-child appropriation,¹⁸ can provide stability in tough economic times and continue the momentum on behalf of Louisiana's young children.

In two other states, **Florida** and **New York**, high-quality pre-k-for-all efforts have suffered from endemic funding problems, and severe budget shortfalls mean FY10 will not be much different. Florida's shortfall is more than 27 percent, but, due to an infusion of federal stimulus dollars, *Voluntary Prekindergarten Education* funding will increase by more than 4 percent,¹⁹ and the program will serve more than 7,700 additional children.²⁰ Yet, the state's chronically low per-child spending has decreased from \$2,677 in FY08 to \$2,575 in FY10,²¹ lagging behind both enrollment growth and inflation. Similarly, with the state facing a budget gap of nearly 32 percent, New York's legislature passed a gubernatorial proposal to withdraw millions of unspent early education funds from the *Universal Prekindergarten Program*. The cut of nearly \$37 million to total state pre-k appropriations as compared with FY09, will not, however, reduce per-child expenditures – roughly \$4,000 in FY08²² – or the number of children served. By contrast, K-12, which in both states receives appropriations under the school funding formulas, will be flat funded on a per-child basis.²³ For these states, enrollment-based pre-k funding through school funding formulas with per-child levels sufficient to support high quality is a sensible alternative to their ongoing challenges.

Off the Track

In 2006, **Illinois** was poised to become one of the nation's leading pre-k states. With near-unanimous support, lawmakers passed legislation to make *Preschool for All* the first program in the country to serve not only all four year olds but also all three year olds on a voluntary basis. Expansion of the high-quality program was to phase in over five years and be completed by fall 2010. For FY10, however, just one year before the deadline, lawmakers and the governor cut funding for the program by 10 percent, potentially stripping services from as many as 10,000 children.

With a shortfall estimated at more than 21 percent, policy makers abdicated their responsibility to identify essential programs throughout the state budget and protect those core priorities. First, the legislature passed a 50 percent across-the-board cut to the entire state government. When that budget was rejected, they simply passed agency-wide appropriations, declining to allocate funding for individual programs and leaving the hard work to the agencies themselves.

As part of this process, legislators slashed the education agency's budget – excluding the school funding formula and other protected allocations – by 45 percent.²⁴ For *Preschool for All*, this would have meant a 32 percent cut, nearly wiping out all the increases since the for-all legislation passed and reducing access for up to 30,000 children.²⁵ Additionally, the cut threatened to eliminate services for thousands of at-risk infants and toddlers supported by an 11 percent set aside from early education appropriations.²⁶

Following a strong public outcry, the governor restored \$76 million of the pre-k funding,²⁷ but the program still will endure a decrease of almost \$34 million. Of note, the school funding formula will receive a small increase and could have protected pre-k.²⁸ Instead, Illinois' pre-k-for-all phase-in plan is now off track.

Investments in the economic health of their state and the education of its young children are more necessary than ever, but Illinois lawmakers failed to meet the challenge, offering neither creative revenue solutions nor responsible spending cuts. In the future, legislators who value the benefits of pre-k – human capital development, greater economic competitiveness, reduced crime, stronger families, better-prepared children – will need to stand by their priorities and defend essential early learning and care programs.

Roll Back: Ohio Pre-K Takes Turn for the Worse

The current budget crisis is putting tremendous pressure on working families, and state lawmakers are tasked with balancing the needs of constituents with the realities of fiscal shortfalls. In **Ohio**, lawmakers – facing a comparatively manageable budget gap of 5 percent – chose to decimate the state’s two-program pre-k system, derailing a turnaround that had barely begun and setting themselves and their state’s young children even further behind their peers across the country.

For FY10, policy makers redirected federal TANF²⁹ dollars – that had been used to support the *Early Learning Initiative (ELI)* – to welfare-to-work programs. Legislators then opted to use the \$80 million in general funds that had been under consideration as support for *ELF*³⁰ for a child care subsidy program tied to parents’ work status. In addition, legislators cut funding for the *Early Childhood Education (ECE)* program by 33 percent to \$23.3 million.

These decisions will dramatically curtail access to early learning and care programs across Ohio. *ECE* was already the smaller of the two programs, accounting for less than half of children served. Moreover, due to the parental work requirement, high unemployment rates will mean young children who would have qualified for pre-k through *ELI* will be ineligible for publicly funded child care. Overall, the remains of the state’s pre-k system are expected to serve at least 12,000 fewer low-income children – a decrease of more than 50 percent from 2008-09³¹ – even as the ranks of young children in poverty are likely to grow.³²

At this dire economic moment, families look to lawmakers to make prudent choices and provide sound, responsible, evidence-based programs. In Ohio, legislators have ignored the research, which clearly demonstrates that pre-k builds the human capital essential for economic recovery and gives children the high-quality educational opportunities they need to enter kindergarten ready to succeed.



Political Paralysis: Budget Battles Threaten Pre-K

Tough times often exacerbate political battles as lawmakers struggle to protect their priorities while balancing state budgets. In two states – Michigan and Pennsylvania – bitter fighting brought FY10 negotiations to a standstill and threatened to devastate high-quality pre-k. At a time when leaders most need to stand together in support of research-based programs, this paralysis – regardless of final budget outcomes – undermined needed services for working families and greater chances at success for young children.

In **Michigan**, where the budget gap is just over 12 percent, some senators had proposed the complete elimination of the state's high-quality *Great Start Readiness Program*, a \$103 million investment that in the 2008-09 school year provided more than 30,000 pre-k slots for at-risk four year olds and as many as 3,000 jobs.^a After months of debate, the legislature passed a budget, which decreases the state's pre-k investment by about 7 percent, or \$7.6 million. While markedly better than earlier bills, this latest cut still threatens high-quality early education opportunities for hundreds – possibly thousands – of low-income children even as unemployment in the state has surpassed 15 percent – the nation's highest rate.^b Additionally, the budget permits local districts to reallocate pre-k dollars to fill other education funding holes. For state leaders who understand the value of pre-k, these cuts must carry both relief and concern for Michigan's economic future and the readiness and lifelong success of its youngest citizens.

Pennsylvania's *Pre-K Counts* program has grown to serve nearly 12,000 four year olds since its establishment in 2008.^c For FY10, however, lawmakers waged fierce battles over several budget proposals including one, from the state Senate, that included a 50 percent cut to pre-k, as well as severe decreases to the state's quality rating and improvement system and other services for children and families.^d The impasse sharply curtailed the availability of early childhood programs. Well over half of both *Pre-K Counts* and Head Start providers delayed or cancelled fall classes, cutting services for more than 7,700 children and potentially causing around 1,000 layoffs.^e Fortunately, Pennsylvania's legislature ultimately reached a compromise to flat fund *Pre-K Counts* at \$86.4 million and state investment in Head Start at \$39.5 million, wisely protecting jobs and restoring vital programs for young children.

^a "Potential Impact of FY 09-10 Budget on Early Childhood Care and Education," (Lansing: Fight Crime: Invest in Kids Michigan, 2009).

^b Bureau of Labor Statistics, "Local Area Unemployment Statistics," United States Department of Labor, <http://www.bls.gov/lau/>.

^c "Pennsylvania Pre-K Counts at a Glance," (Pennsylvania Department of Education, 2008).

^d Email alert, Pennsylvania Partnerships for Children, Jul. 20, 2009.

^e Pennsylvania Office of Child Development and Early Learning, Email, Aug. 20, 2009.

Texas State Representative Diane Patrick (R)

We are investing in the future of this state. Investing in pre-k has a greater return than any of the other educational investments we are making.

Missing Guideposts: Federal Funding Needs Sharper Pre-K Focus

As states scramble to fill deepening budget holes, they are looking to the federal government to provide additional resources for priority programs. Congress first responded in February 2009 through provisions of the American Recovery and Reinvestment Act (ARRA), commonly known as the federal stimulus package. Now, lawmakers are moving a second initiative, the Early Learning Challenge Fund (ELCF), which passed the House in September and is expected to be considered by the Senate in October. While both efforts hold promise, they may have only a nominal impact on families' access to early education unless federal leaders back their intentions with stronger incentives for pre-k investment.

ARRA appropriated much-needed funding for children's programs, including:

- \$53.6 billion for the State Fiscal Stabilization Fund – Use of this money for early learning is left entirely to states' discretion;
- \$2.1 billion for Head Start and Early Head Start – From this amount, \$500,000 per state is set aside to support State Advisory Councils on early childhood education, which federal legislators mandated that all states create to assess the strengths and needs of their birth-to-five system and plan improvements;
- \$2 billion for the Child Care Development Block Grant (CCDBG);
- \$13 billion for Title I of the Elementary and Secondary Education Act (ESEA) – Local education agencies that receive Title I funds may spend a portion on pre-k programs; and
- \$12.2 billion for the Individuals with Disabilities Education Act (IDEA) – \$900 million of this amount is reserved for birth-to-five programs.³³

Unfortunately, Congress and the president missed a key opportunity to direct any ARRA funding specifically to states' pre-k programs. To date, federal policy makers have done little to encourage the use of ARRA dollars for this purpose; a few states and localities have done so nonetheless (see "Pre-K Stimulus" on facing page). More explicit guidance promoting the expansion of pre-k with Title I dollars and the alignment of standards, data systems, curriculum and professional development across the early learning field would benefit thousands more children.

Without critical changes in the Senate, the ELCF may repeat the ARRA's lack of focus on pre-k. ELCF – which is one title in the much larger Student Aid and Fiscal Responsibility Act – would provide \$1 billion a year for eight years in grants to states to improve the quality of programs for children from birth to age five. The House version of the bill requires states to demonstrate the steps they are taking to improve program quality for low-income children but lacks specific directives to serve more of the roughly half-million at-risk children who still do not have access to pre-k. It also does not ensure specific quality standards to raise the bar for all early childhood programs.

Pre-K Now has recommended five additions to strengthen ELCF legislation in the Senate:

1. A provision reserving some of the funds specifically to help states enroll more at-risk four year olds in pre-k;
2. A grant criterion giving preference to states that work with local education agencies to use Title I dollars for quality pre-k;
3. A requirement that early learning programs receiving federal funding participate in their state's quality improvement system;
4. A clear definition of what comprises a quality program, including teachers with bachelor's degrees and research-based class sizes; and
5. A requirement that a state's grant application demonstrate its process and policies for meaningful engagement of families in children's early education.

continued on page 14

Pre-K Stimulus: Putting the American Recovery and Reinvestment Act to Work for Kids

Around the country, state legislators and program administrators have looked for ways to utilize resources from the federal stimulus package – the American Recovery and Reinvestment Act (ARRA) – to bolster pre-k programs in these lean fiscal times. In four states – Florida, Maine, Maryland and Oregon – state and local officials have put these dollars to work in strategic ways to protect pre-k programs, expand access and improve quality.

In **Florida**, in light of a 27 percent budget gap, lawmakers cut state investments in the *Voluntary Prekindergarten Education (VPK)* program by \$24 million. But, they also appropriated \$38 million from ARRA. As a consequence, rather than a 7 percent decrease, *VPK* will receive an increase of almost 4 percent. Using this temporary funding to support enrollment is an important stop-gap measure, but absent a longer-term solution to provide adequate program funding, lawmakers will face this same problem again in the near future without federal dollars to fill the void.

Maine's Four-Year-Old Program is included in the state's school funding formula and is expected to receive an enrollment-based increase for FY10. Though the program served 19 percent of four year olds in 2008,^a many districts still do not offer state-funded pre-k partly because they must provide funding for the first year of the program. School funding formula dollars become available to districts beginning in the second year. This year, many districts that don't currently provide pre-k have taken a strategic approach to address this barrier to broader access, using ARRA funds to support their start-up efforts. Once programs are in place, first-year enrollment will be used to establish each district's pre-k allocation through the school funding formula for the following year.

In **Maryland**, two districts have found ways to expand high-quality pre-k to more low-income children through the use of federal stimulus funds. The Montgomery County Public Schools has committed 10 percent of its ARRA Title I allocation to support the extension of 21 Head Start classes from half day to full day and for supplemental instructional materials and professional development.^b Similarly, Baltimore City will be using ARRA Title I funds to support an additional 40 pre-k classrooms and serve 800 more children in the 2009-10 school year.^c The state legislature, meanwhile, passed a bill requiring the state's Department of Education to finalize its pre-k-for-all plan by December 2009.^d Once it is completed, policy makers will need to identify a sustainable funding strategy in order to implement the plan, support these strategic local efforts and ensure high-quality early learning experiences are available to all Maryland four year olds.

Even in the face of an 18 percent budget gap, lawmakers in **Oregon** approved a 6 percent funding increase for the high-quality *Head Start Prekindergarten* program, bringing total state investment to \$55 million for FY10. With program funding secured through the legislature, state agencies seized an opportunity to go a step further, designating about \$1.5 million in ARRA funding to improve teacher quality in community-based early childhood programs, including pre-k.^e State standards require pre-k teachers to have a specialization in early education, and the federal dollars can be used to provide incentives for teachers to continue their professional development.

^a W. Steven Barnett et al., "The State of Preschool: 2008 State Preschool Yearbook," (New Brunswick: National Institute for Early Education Research, Rutgers, The State University of New Jersey, 2009), 72.

^b Data gathered from the Montgomery County Public Schools (July 2009), as cited in: Chrisanne Gayl, Marci Young, and Kathy Patterson, "New Beginnings: Using Federal Title I Funds to Support Local Pre-K Efforts," in *Federal Policy Series* (Washington: Pre-K Now, 2009).

^c Whitney Tantleff, Email, Sept. 2, 2009.

^d *Education – Maryland's Preschool for All Business Plan – Final Report Requirements*, SB 234.

^e David Mandell, Email, Jul 31, 2009.

Missing Guideposts

continued from page 12

These measures will help ensure that states applying for the challenge grant are committed to a central goal of this legislation: preparing more young children for success in school by providing high-quality pre-k programs.

A federal funding stream exclusively for pre-k, either through ELCF or other legislation remains a Pre-K Now goal. Congress is expected to reauthorize ESEA over the next year, and bills already introduced to provide federal funds for pre-k could be included in the reauthorization. Other options recommended by Pre-K Now include: allowing school districts to use ESEA funds to start new pre-k programs as a way to improve public education, and expanding provisions supporting teacher quality to encompass pre-k teachers.

With rising unemployment and reduced public expenditures in states across the country, Congress cannot afford to wait any longer to provide true federal support for programs that generate strong returns on investment and promote better school readiness and achievement for young children. Families, communities and states urgently need federal legislators to act now to make a significant and lasting commitment to high-quality state pre-k.

Conclusion

Across the nation, state legislators are contending with unprecedented budget shortfalls. As they weigh the needs of struggling families against the realities of shrinking revenues, they must whittle down public expenditures to only the most essential fiscal priorities. For FY10, though some made shortsighted choices to cut investments in voluntary, high-quality pre-k, the majority of these leaders identified early learning programs as critical for their states now and into the future. By opting to protect and even increase funding for high-quality pre-k, these lawmakers are supporting working families, giving children the chance to enter kindergarten ready to learn, investing in programs with proven returns and building the economic competitiveness of their states and the nation for years to come.



Endnotes

- ¹ This figure is calculated absent a final pre-k budget from Arizona.
- ² See for example: Clive R. Belfield et al., "The High/Scope Perry Preschool Program: Cost-Benefit Analysis Using Data from the Age-40 Followup," *Journal of Human Resources* 41, no. 1 (2006); William Gormley, Jr. et al., "The Effects of Oklahoma's Universal Pre-K Program on School Readiness: An Executive Summary," (Washington, DC: Center for Research on Children in the United States, Georgetown University, 2004); A.J. Reynolds et al., "Age 21 Cost-Benefit Analysis of the Title I Chicago Child-Parent Centers," *Educational Evaluation and Policy Analysis* 24 (2002).
- ³ Reynolds et al., "Age 21 Cost-Benefit Analysis of the Title I Chicago Child-Parent Centers."
- ⁴ All budget gap data from: Fiscal Affairs Program, "State Budget Update: July 2009," (Denver: National Conference of State Legislatures, 2009).
- ⁵ Ibid.
- ⁶ W. Steven Barnett et al., "The State of Preschool: 2008 State Preschool Yearbook," (New Brunswick: National Institute for Early Education Research, Rutgers, The State University of New Jersey, 2009), 6.
- ⁷ Kevin Garver, Email, Aug. 13, 2009.
- ⁸ "Summary of FY 2010 Appropriations Act," (Trenton: New Jersey Legislature, 2009).
- ⁹ "81st Legislative Session," Texas Early Childhood Education Coalition, http://www.tecec.org/pages.php/New_81st_Legislative_Session.html.
- ¹⁰ Robert R. Garrett, "House Backs Expansion of Full-Day Pre-K," *The Dallas Morning News*, May 8, 2009.
- ¹¹ "Release: Gov. Perry Vetoes HB 130," (Austin: Texas Legislature, 2009).
- ¹² Barnett et al., "The State of Preschool: 2008 State Preschool Yearbook," 142.
- ¹³ "Press Release: Governor's Early Learning Veto a Shock and Disappointment," (2009), <http://www.childrensalliance.org/news-events/press-release-governors-early-learning-veto-shock-and-disappointment>.
- ¹⁴ Barnett et al., "The State of Preschool: 2008 State Preschool Yearbook," 112.
- ¹⁵ Ibid, 48.
- ¹⁶ Legislative Fiscal Office, "Fiscal Note," (Baton Rouge: Louisiana State Legislature, 2008).
- ¹⁷ Mary Louise Jones, Email, Jul. 22, 2009.
- ¹⁸ *House Concurrent Resolution No. 207*, Louisiana House of Representatives. Regular Session, 2008; *Senate Concurrent Resolution No. 17*, Louisiana Senate. Regular Session, 2009.
- ¹⁹ Florida's legislature made two mid-year cuts during FY09, resulting in a final VPK appropriation of \$353 million, which is used here as the baseline figure for the state.
- ²⁰ Office of Economic & Demographic Research, "Voluntary Prekindergarten Education Estimating Conference: Impact Conference and Revised Estimates and Forecasts," (Tallahassee: Florida Legislature, 2009).
- ²¹ *Relating to Appropriations*, FY2008, S2800. Florida Senate.; *Relating to Appropriations*, FY2010, S2600. Florida Senate.
- ²² Barnett et al., "The State of Preschool: 2008 State Preschool Yearbook," 102. NEEIR calculates an average figure from varied local per-child expenditures.
- ²³ "Public School Funding: The Florida Education Finance Program FY 2009-2010," (Tallahassee: The Florida Senate, 2009), 2; School Business Services, "Florida Education Finance Program 2009-10 Second Calculation," (Tallahassee: Office of Funding and Financial Reporting, 2009), 4; Cynthia Gallagher, Phone Conversation, 2009.
- ²⁴ "FY10 General Funds Allocation as Approved by the State Board of Education on July 21, 2009," (Springfield: Illinois State Board of Education, 2009).
- ²⁵ "Press Release: At Least 30,000 Illinois Children to Be Cut from Preschool," (Chicago: The Ounce of Prevention Fund, 2009).
- ²⁶ "Illinois' Infant Toddler Set-Aside: What It Is and How It Works to Promote School Readiness," (Chicago: The Ounce of Prevention Fund).
- ²⁷ "FY10 Enacted and Management Plan," (Springfield: Illinois State Board of Education, 2009).
- ²⁸ Ibid; "FY10 General Funds Allocation as Approved by the State Board of Education on July 21, 2009," 1.
- ²⁹ "Temporary Assistance for Needy Families"
- ³⁰ Pre-K Now, "Leadership Matters: Governors' Pre-K Proposals Fiscal Year 2010," (Washington, DC: The Pew Center on the States, 2009), 22.
- ³¹ Calculated from enrollment figures provided by Katie Kelly from the Center for Community Solutions in March 2009, assuming that *ELI* enrolled more than 50 percent of all children served in Ohio's two pre-k programs. So if *ELI* is eliminated, overall state-funded pre-k enrollment will be cut by at least half.
- ³² Kenneth C. Land, "The 2009 Foundations for Child Development Child and Youth Well-Being Index (CWI) Report," (New York: Foundation for Child Development, 2009).
- ³³ Compiled from data in: "Chairman Miller Announces Release of Emergency Funding for Head Start," House Committee on Education and Labor, <http://edlabor.house.gov/newsroom/2009/04/chairman-miller-announces-rele.shtml>; "Department of Education: American Recovery and Reinvestment Act (ARRA)," (Washington, DC: Department of Education, Feb. 23, 2009) <http://www.ed.gov/about/overview/budget/budget09/09recovery.pdf>; "Department of Education: American Recovery and Reinvestment Act (ARRA) – Initial Release of Funds," (Washington, DC: Department of Education, Apr. 2, 2009) <http://www.ed.gov/about/overview/budget/budget09/09recoveryinitialrelease.pdf>; "FY 2009 Child Care and Development Fund American Recovery and Reinvestment Act (ARRA) State and Territory Allocations," Department of Health and Human Services, <http://transparency.cit.nih.gov/RecoveryGrants/grant.cfm?grant=childcare>; "News Release: Head Start, Early Head Start Programs to Receive over \$2 Billion in Recovery Act Funding," Department of Health and Human Services, <http://www.hhs.gov/news/press/2009pres/04/20090402a.html>.

FY10 Pre-K Budgets at a Glance




This chart documents pre-k budget allocations for FY10 for all 50 states and the District of Columbia. Fifteen states, including one in the second year of a biennial budget, passed pre-k funding increases, and six flat funded. Enrollment-based increases are also expected in all nine states and the District where pre-k is supported through the school funding formula.* Ten decreased investments in pre-k. One state had not finalized a pre-k budget at press time, and 10 provide no state funding for pre-k. The net total increase for FY10 is more than \$64 million, and nationwide, state investments will reach \$5.3 billion.







* See footnote 'a' in the call-out text on page 2.







† State has a biennial budget. FY10 is the first year of the biennium.







‡ State has a biennial budget. FY10 is the second year of the biennium.







§ Some pre-k programs experienced mid-year cuts during FY09. Budget changes are based on final FY09 appropriations. Additionally, information on pre-k funding in biennial budgets reflects changes in those budgets from FY09 to FY10 only.







State and Percent Change	Change to Budget [§]	Policy / Notes
Alabama  14%	<p>Increases the <i>First Class</i> program by \$3.2 million for a total of \$19 million.</p> <p>Eliminates the state supplement for Head Start of \$864,500.</p>	<p><i>First Class</i> is projected to serve 450 more children for a total of 3,834.</p>
Alaska  41%	<p>Provides first-time investment of \$2 million for the <i>Alaska Pilot Pre-Kindergarten Project (AP3)</i>.</p> <p>Increases state investment in Head Start by \$711,100 to \$7.4 million.</p>	<p>Six districts will participate in the pilot program, serving 300 to 500 children in FY10. The AP3 funding is a one-time appropriation.</p>
Arizona Unknown	<p>Decreases the <i>Early Childhood Block Grant (ECBG)</i> by \$4.4 million to \$15.1 million. Impact on pre-k funding is unknown at press time. In FY09, \$12.7 million of the block grant supported pre-k.</p>	<p>The legislature initially flat funded the <i>ECBG</i> at \$19.4 million, but the Arizona Department of Education was asked later to make further cuts to its budget. A bill to make it easier for the state government to reallocate voter-designated funds, including First Things First early childhood funding, did not pass.</p>
Arkansas[†]  3%	<p>Increases <i>Arkansas Better Chance (ABC)</i> program by \$2.8 million for a total of \$113.8 million.</p>	<p>ABC is expected to serve 552 more children for a total of 25,096.</p> <p>Legislation was passed to create a birth-to-pre-k teaching credential and to enable the Arkansas Early Childhood Commission to function as the state's early childhood advisory council.</p>







State and Percent Change	Change to Budget ^{\$}	Policy / Notes
California  2%	Increases the <i>California State Preschool Program (CSPP)</i> by \$9.5 million for a total of \$438.9 million.	Of this amount, \$65.5 million is carried-over unspent funding from prior years and is designated as one-time funding. The California State Preschool Program Act, which consolidates five early education programs, took effect on July 1, 2009. An estimated \$400 million from General Child Care will also support the <i>CSPP</i> in FY10.
Colorado  13%	Increases the <i>Colorado Preschool Program</i> by an estimated \$8.9 million for a total of \$74.9 million.	The increase reflects a higher per-child funding level and will support 20,160 pre-k slots in FY10.
Connecticut [†]  -5%	Decreases the <i>School Readiness Program (SRP)</i> by \$4.6 million to \$74.8 million. Flat funds state investment in Head Start at \$6.7 million.	The <i>SRP</i> budget will remain the same for FY11.
Delaware  0%	Flat funds the <i>Early Childhood Assistance Program</i> at \$5.7 million.	
Florida  4%	Increases funding for the <i>Voluntary Prekindergarten Education (VPK)</i> program by \$13.7 million for a total of \$367.2 million.	Thirty-eight million dollars of FY10 funding is from the federal stimulus package. In an FY09 mid-year adjustment, the legislature decreased the per-child allocation from \$2,628 to \$2,575, resulting in a final budget of \$353.5 million.
Georgia  4%	Increases funding for Georgia's <i>Pre-k Program</i> by \$12.6 million for a total of \$349.6 million.	Enrollment is expected to increase by about 3,000 children for a total of 82,000 in FY10.







State and Percent Change	Change to Budget ^{\$}	Policy / Notes
Hawaii [†]  N/A	No state pre-k program or investment in Head Start.	The legislature appropriated \$230,000 to support the Early Learning Council, which will add a Head Start representative.
Idaho  N/A	No state-funded pre-k program.	The legislature flat funded the allocation of \$1.5 million in federal block grant dollars to Head Start.
Illinois  -10%	Decreases the pre-k portion of <i>Preschool for All</i> by \$33.8 million to \$304.6 million.	Funding for infant-toddler programs was cut by \$4.2 million to \$37.6 million. Due to the cuts, state pre-k is estimated to serve about 9,500 fewer three and four year olds in FY10.
Indiana [†]  N/A	No state pre-k program or investment in Head Start.	
Iowa  Anticipated Increase	The <i>Statewide Voluntary Preschool Program for Four Year Old Children</i> is supported by the school funding formula and is expected to increase by \$16.5 million to \$48.6 million. Decreases <i>Shared Visions</i> by \$642,000 to \$7.8 million.	Of the \$48.6 million, \$11.5 million is allocated for grants to new pre-k programs.
Kansas  1%	Increases funding for the <i>Four-Year-Old At-Risk Program</i> by an estimated \$263,300 for a total of \$20.2 million. Flat funds the <i>Pre-K Pilot Program</i> at \$5 million. Flat funds the <i>Early Childhood Block Grant</i> at \$11.1 million, of which up to \$7.8 million can be used to support pre-k.	The <i>Four-Year-Old At-Risk Program</i> is expected to serve 1,225 more children for a total of 7,943.






State and Percent Change	Change to Budget [§]	Policy / Notes
Kentucky [†]  0%	Flat funds the <i>Kentucky Preschool Program</i> at \$75.1 million.	
Louisiana  -5%	Decreases the <i>Cecil J. Picard LA 4 Early Childhood Program (LA 4)</i> by \$5.9 million to \$77.5 million. Flat funds the <i>Nonpublic Schools Early Childhood Development Program</i> at \$7.5 million. Of the <i>8(g)</i> block grant, \$15.5 million will be available for pre-k, an increase of about \$346,000.	<i>LA 4</i> is expected to serve 250 more children for a total of 17,650, although the per-child allocation is decreasing from \$5,000 to \$4,600.
Maine [†]  Anticipated Increase	The <i>Four-Year-Old Program</i> is included in the school funding formula. The FY10 pre-k allocation is expected to increase by \$2 million to \$6.1 million. Decreases state investment in Head Start by \$70,117 to \$4 million.	Including local funding, total FY10 funding for pre-k is \$12.6 million. In FY11, the second year of the biennium, state investment in Head Start will decrease by another \$78,000 to \$3.9 million.
Maryland  Anticipated Increase	The <i>Prekindergarten Program</i> is funded by the school funding formula. The FY10 pre-k allocation is expected to increase by \$12 million to \$112.1 million. Decreases state investment in Head Start by \$1.2 million to \$1.8 million.	New legislation requires the state's Department of Education to finalize its business plan for expansion to pre-k for all and submit it to the legislature by the end of the year. There is no funding in the budget for the business plan.
Massachusetts  -22%	Decreases funding for the <i>Universal Pre-Kindergarten Program (UPK)</i> by \$2.9 million to \$8 million. Decreases state investment in Head Start by \$1 million to \$8 million. Decreases funding for quality improvements by \$5.5 million to \$18.3.	Quality improvement funding supports professional development, scholarships and early childhood mental health services.
Michigan  -7%	Decreases funding for the <i>Great Start Readiness Program</i> by \$7.6 million for a total of \$96 million.	Three hundred thousand dollars of the total funding is for program evaluation.

State and Percent Change	Change to Budget [§]	Policy / Notes
Minnesota [†]  0%	Flat funds both the <i>School Readiness Program (SRP)</i> and state investment in Head Start at \$10.1 million and \$20.1 million, respectively.	The two programs will serve about 2,300 fewer children in FY10, for a total of 21,800. State funding for <i>SRP</i> and Head Start will remain the same for FY11, the second year of the biennium.
Mississippi  N/A	No state pre-k program or investment in Head Start.	
Missouri  0%	Flat funds the <i>Missouri Preschool Project</i> at \$14.8 million.	The governor is withholding 3 percent to 5 percent of funding to address the state's budget shortfall. Enrollment is expected to decrease by 488 children to 4,080.
Montana [†]  N/A	No state pre-k program or investment in Head Start.	
Nebraska [†]  Anticipated Increase	Pre-k is funded partly through the school funding formula. For FY10, \$7.8 million from the formula are expected to support pre-k, an increase of \$3.9 million from FY09. Flat funds the <i>Early Childhood Education Grant Program</i> at \$3.6 million.	Funding for the <i>Early Childhood Education Grant Program</i> will remain at \$3.6 million in FY11, the second year of the biennium.
Nevada [†]  0%	Flat funds the <i>Nevada Pre-Kindergarten Education Program</i> at \$3.3 million.	Funding for the <i>Nevada Pre-Kindergarten Education Program</i> will remain at \$3.3 million in FY11, the second year of the biennium.

State and Percent Change	Change to Budget ^{\$}	Policy / Notes
New Hampshire [†]  N/A	No state pre-k program or investment in Head Start.	
New Jersey  10%	Increases <i>Preschool Education Aid</i> by \$52.3 million for a total of \$596.1 million.	Enrollment is expected to increase by 2,034 children for a total of 51,114.
New Mexico  5%	Increases funding for the <i>New Mexico Pre-Kindergarten Initiative</i> by \$952,100 for a total of \$19.8 million.	Of the FY10 budget, \$45,000 is dedicated for start-up programs. Enrollment is expected to increase by 318 to 4,963.
New York  -8%	Decreases funding for the <i>Universal Prekindergarten Program (UPK)</i> by \$36.7 million to \$414.1 million.	The budget cut reflects unspent <i>UPK</i> funds from FY09. It is not expected to affect access in FY10.
North Carolina [†]  -3%	Decreases <i>More at Four</i> funding by \$5 million to \$165.6 million.	The <i>More at Four</i> budget will remain at \$165.6 million for FY11, the second year of the biennium. The budget bill includes a provision to study how the state's early education programs, including <i>More at Four</i> , could be consolidated.
North Dakota [†]  N/A	No state pre-k program or investment in Head Start.	Bills to include pre-k in the state's school funding formula and to provide state funding to Head Start and Early Head Start did not pass. The legislature appropriated \$20,000 to support the work of the state's early childhood advisory council.

State and Percent Change	Change to Budget [§]	Policy / Notes
Ohio [†]  -33%	Decreases funding for the <i>Early Childhood Education (ECE)</i> program by \$11.5 million to \$23.3 million.	Funding for the <i>Early Learning Initiative (ELI)</i> was eliminated. <i>ELI</i> had been supported using federal TANF funds and is not included in the state's percent change. Children in the program will be transferred to the state's child care subsidy system.
Oklahoma  Anticipated Increase	The <i>Four-Year-Old Program</i> is included in the school funding formula. FY09 and FY10 figures are not yet available. From FY07 to FY08, state pre-k spending increased by \$14.2 million to \$139.7 million.	
Oregon [†]  6%	Increases funding for the <i>Oregon Head Start Prekindergarten</i> program by \$3.1 million for a total of \$55 million.	The program will receive \$56.1 million in FY11, the second year of the biennium.
Pennsylvania  0%	Flat funds <i>Pre-K Counts</i> and state investment in Head Start at \$86.4 million and \$39.5 million, respectively. Pre-k spending from the Accountability Block Grant in FY10 is not yet available. In FY09, \$15.1 million of the block grant were spent on pre-k.	For FY10, the Accountability Block Grant is flat funded at \$271.4 million.
Rhode Island  50%	Provides first-time investment of \$700,000 for the <i>Rhode Island Pre-K Demonstration Project</i> . Decreases state supplement to Head Start by \$200,000 for a total of \$800,000.	The new program will serve 72 children. Two school districts will commit an additional \$450,000 in federal Title I funds to support 54 additional children. Head Start agencies are expected to receive an additional \$200,000 from ARRA to compensate for the decrease in state funding.
South Carolina  -16%	Decreases funding for the <i>EIA Half-Day Child Development Program (4K)</i> by \$5.2 million to \$15.8 million. Decreases the <i>Child Development Education Pilot Program (CDEPP)</i> by \$1.4 million to \$19.7 million.	Despite the cuts, <i>4K</i> is expected to serve 200 more children for a total of 18,000, and enrollment in <i>CDEPP</i> is projected to increase by 400 to 4,700. For the first time, <i>CDEPP</i> funding comes from recurring dollars within the state budget.

State and Percent Change	Change to Budget [§]	Policy / Notes
South Dakota  N/A	No state pre-k program or investment in Head Start.	The <i>Starting Strong Sioux Falls</i> pre-k pilot, a three-year public-private partnership is flat funded with a budget of \$1.4 million – half of which is from the governor’s economic development fund – for 2009-10, the third and last year of the pilot.
Tennessee  1%	Increases the <i>Voluntary Pre-K</i> program by \$490,000 to \$83.5 million.	In FY09, \$25 million of the pre-k budget came from lottery revenues. For FY10, all but \$3 million of the pre-k budget will be from the state’s general fund.
Texas [†]  Anticipated Increase	The <i>Early Childhood and Pre-Kindergarten Initiative</i> is funded through the school funding formula, and is projected to increase by \$15.5 million to \$730 million. Increases the Prekindergarten Early Start Grant Program by \$12.5 million for a total of \$104.3 million. Flat funds the Texas Early Education Model at \$7.5 million.	Enrollment supported by the school funding formula is expected to increase by more than 7,000, to 207,548. The Prekindergarten Early Start Grant Program will remain at \$104.3 million for FY11 as part of the \$25 million appropriation for the biennium.
Utah  N/A	No state pre-k program or investment in Head Start.	Discontinued non-recurring funding of \$100,000 for Head Start in FY09.
Vermont  Anticipated Increase	The <i>Publicly Funded Prekindergarten Education</i> program is funded through the school funding formula. FY10 funding is expected to increase by \$1 million to \$11.5 million. Decreases funding for the <i>Early Education Initiative (EEI)</i> by \$108,300 to \$1.1 million.	The school funding formula is expected to support 110 more children in FY10 for a total of 3,800. <i>EEI</i> will serve 75 more children for a total of 900.
Virginia [‡]  17%	Increases funding for the <i>Virginia Preschool Initiative (VPI)</i> in the second year of the FY09-FY10 biennium by \$10.1 million for a total of \$68.8 million.	<i>VPI</i> is estimated to serve 5,415 additional children for a total of 21,072.

State and Percent Change	Change to Budget [§]	Policy / Notes
Washington [†]  -3%	Decreases funding for the <i>Early Childhood Education and Assistance Program (ECEAP)</i> by \$1.6 million for a total of \$54.9 million.	Enrollment in <i>ECEAP</i> is expected to decrease by 173 to 8,053.
West Virginia  Anticipated Increase	The <i>West Virginia Universal Pre-K Program</i> is funded through the school funding formula. FY10 spending is estimated to increase by about \$5.9 million for a total of \$75 million.	Enrollment in FY10 is projected to be about 15,550 children, an increase of 1,770.
Wisconsin [†]  Anticipated Increase	The <i>Four-Year-Old Kindergarten (4K)</i> program is included in the school funding formula. FY10 figures are not yet available. From FY08 to FY09, state spending increased by \$19.2 million to \$105 million. Decreases state investment in Head Start by \$252,400 to \$7 million. Flat funds 4K start-up grants at \$3 million.	For FY11, the second year of the biennium, state investment in Head Start will remain at \$7 million, and 4K start-up grants will decrease to \$1.5 million.
Wyoming  N/A	No state pre-k program or investment in Head Start.	
Washington, DC  Anticipated Increase	Pre-k in public and charter schools is included in the school funding formula. FY10 figures are not yet available, but an increase is expected due to higher enrollment.	The DC Council also appropriated additional funds to support expansion in charter schools and community-based organizations as well as quality enhancements. At press time, the exact amount is still being determined.

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Pre-K Now thanks state advocates, budget officers, and department of education personnel for their assistance in compiling the data.

Methodology

State budget data are collected from budget documents, accessed through the states' legislative websites, and confirmed through multiple sources. An initial request for confirmation is sent to key informants in all states and the District of Columbia. Informants include state pre-k administrators, budget officers, early childhood advocates, legislative or gubernatorial staff, and others individuals who hold a professional role related to state budgeting and/or state-funded early education. In instances where the pre-k program is not listed as a separate line item in budget documents, funding figures are based on estimates provided by the informants. For this report, states where estimates were used include IA, ME, MD, NE, OK, TX, VT, WV, WI and DC. Once data from all states are compiled and confirmed, they are summarized in a state-by-state chart, which is sent to the informants for final vetting. This chart is also sent to members of the National Association of Early Childhood Specialists in State Departments of Education, who serve as the main points of contact for state early childhood programs. These two groups provide final confirmation of all data and language in the state-by-state chart before the report goes to print. Based on the above research and communications, minor changes from the previous year's appropriations for pre-k may not be counted if the proposed figure was based on an estimate or if the intent of the proposal is to flat-fund the program.

Programs are designated as state-funded pre-k according to the annual report by the National Institute for Early Education Research (NIEER). If a state has a NIEER-designated pre-k program, then any state funds in Head Start are considered part of the state's investment in pre-k education.

Pre-K Now at a Glance

Mission

Pre-K Now collaborates with advocates and policy makers to lead a movement for high-quality, voluntary pre-kindergarten for all three and four year olds.

Vision

Pre-K Now's vision is a nation in which every child enters kindergarten prepared to succeed.

Location

Washington, DC

Leadership

Marci P. Young
Project Director

Media Contact

Elizabeth Snyder
Senior Associate for Media Relations
esynder@pewtrusts.org
202.552.2057 voice
202.631.1107 mobile

Funders

The David and Lucile Packard Foundation
The McCormick Foundation
The Nellie Mae Education Foundation
RGK Foundation
The Schumann Fund for New Jersey

Pre-K Now Key Differentiators

- Focuses exclusively on pre-k
- Provides the most up-to-date gauge of the pre-k pulse in any state
- Offers nationwide access to pre-k advocates
- Monitors and distributes daily pre-k newsclips
- Provides a national perspective on local pre-k issues
- Provides outreach, policy, and Spanish-language information targeted to the Latino community
- Leads a national movement which has gained significant momentum in the last five years

The Case for Pre-K

- Pre-k benefits all children academically, socially, and emotionally.
- High-quality pre-k for all nets a high return on investment in children and the community.
- The most important brain development occurs by age five.
- Pre-k is the first step to education reform.



Pre-K Now, a campaign of the Pew Center on the States, collaborates with advocates and policy makers to lead a movement toward high-quality, voluntary pre-kindergarten for all three and four year olds.

The Pew Center on the States, a division of The Pew Charitable Trusts, identifies and advocates effective policy approaches to critical issues facing the states. The Pew Charitable Trusts is driven by the power of knowledge to solve today's most challenging problems. Pew applies a rigorous, analytical approach to improve public policy, inform the public and stimulate civic life.

Pre-K Now
c/o Pew Center on the States
901 E Street, NW
10th Floor
Washington, DC 20004

202.862.9871 voice
202.552.2299 fax

www.pewcenteronthestates.org/preknow

Votes Count:
Legislative Action on Pre-K
Fiscal Year 2010