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As members of Congress reauthorize the Elementary and Secondary Education Act, they can look to the states for flexible, thoughtful strategies to direct public dollars to programs with the greatest educational and economic benefits.

Even in tough budget times, states recognize that high-quality pre-kindergarten is the first step to improve student achievement. Through incentives and partnerships with school districts, many states, including New Jersey, Rhode Island, Maine and Iowa have proposed or implemented innovative funding strategies to gradually grow their pre-k programs.

Research shows that high-quality pre-k returns as much as \$7 per dollar invested and builds a strong foundation for education reform, including significant reductions in remedial and special education and grade repetition in the early elementary grades.¹ The benefits are amplified when pre-k is followed by full-day kindergarten and high-quality instruction throughout the early grades.²

Why High-Quality Pre-K?

High-quality pre-kindergarten is the first step in comprehensive education reform. Students who have a high-quality pre-k experience are better prepared to achieve at higher levels. The alternative – helping children catch up in later grades – is both more costly and less effective.^a Rigorous, independent research proves that high-quality pre-k can:

- Reduce grade repetition among first graders by 30 percent after one year of enrollment and 50 percent after two years.^b
- Save school districts about \$3,700 per child over the course of the K-12 years.^c
- Return more than \$7 for every dollar invested.^d

The evidence is clear and compelling: pre-k multiplies the impact of other reforms. Early investment is the best investment.

^a Flavio Cunha and James J. Heckman, "The Technology of Skill Formation," *The American Economic Review* 97, no. 2 (2007). <http://www.jstor.org/pss/30034418>.

^b Ellen Frede et al., "The APPLES Blossom: Abbott Preschool Program Longitudinal Effects Study (APPLES) Preliminary Results

through 2nd Grade Interim Report," (New Brunswick: National Institute for Early Education Research, Rutgers, The State University of New Jersey, 2009). http://nieer.org/pdf/apples_second_grade_results.pdf.

^c Clive R. Belfield and Heather Schwartz, "The Economic Consequences of Early

Childhood Education on the School System," (New Brunswick: National Institute for Early Education Research, 2006).

^d 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): 267-303.

Promising State Strategies

Overcoming Start-Up Hurdles:

Maine

Maine requires school districts that want to create a pre-k program to fund the first year after which the districts become eligible for enrollment-based funding from the state through the school funding formula.³ In 2009, many districts that did not yet provide pre-k made strategic use of a portion of their federal American Recovery and Reinvestment Act (ARRA) funds to overcome the start-up hurdle. With the help of those stimulus funds at the local level, 29 schools launched new pre-k programs, serving nearly 600 more children.⁴ In FY11, as funding for these and other new programs created in 2009 becomes part of the school funding formula, Maine is projected to increase its pre-k investment by almost 25 percent, reaching more than 3,600 children.⁵ A targeted federal grant could serve as a catalyst for school districts in states like Maine to help them get high-quality pre-k programs off the ground.

Jumpstarting Emerging State Initiatives:

Rhode Island

In 2010, the Rhode Island legislature approved a state school funding formula that includes categorical funding for pre-k.⁶ Local providers including school districts and community-based organizations that meet state quality standards can apply for funds to provide pre-k in targeted areas. Gradual expansion would build on the seven pre-k classrooms the state funded on a demonstration basis in 2009.⁷ A state like Rhode Island could use federal incentive funds to supplement what is essentially a state-to-local grant program, to expand half-day kindergarten programs to full day and to provide support for improving the quality of state-supported pre-k programs.



Leveraging Federal Funds for Expansion:

New Jersey

In 2009, New Jersey's governor proposed a unique \$25 million allocation for a new Preschool Incentive Aid initiative. This new pre-k effort would have leveraged federal funds to support expansion of high-quality programs to low-income school districts that were not part of the state's court-ordered Abbott pre-k program. To receive incentive aid, eligible districts would have been asked to commit to their pre-k programs a portion of the new Title I funds provided in the federal recovery package.⁸ This idea built on the experience of low-income Abbott school districts that maximized the state pre-k investment by creating a seamless pre-k through third grade continuum, which amplified the effects of quality early learning, improved 4th grade reading scores and narrowed achievement gaps.⁹

The proposal was not enacted due to state budget pressures, though legislators did continue to maintain the quality and size of the state's current pre-k program.¹⁰ Nevertheless, the proposal provides another model for how states could use a federal incentive fund to encourage more districts to allocate local or existing federal dollars to high-quality pre-k.

Building Equity and Access for All:

Iowa

Iowa's *Statewide Voluntary Preschool Program* provides an opportunity for all four year olds to enter school ready to succeed.¹¹ The program's funding strategy builds on school districts' commitment to high-quality pre-k and a state-local partnership that could be greatly assisted by a third partner: the federal government. A coordinated state-federal strategy can:

- Start new programs to increase access. Iowa public school districts starting new pre-k programs apply for state funding through a competitive grant process and receive funds based on the number of four year olds to be served. After successfully operating for one year, the program receives state funding not from a grant but based on enrollment through the school funding

formula, which provides a more sustainable source of support.¹² During FY11, 326 of Iowa's 361 school districts have pre-k funding.¹³ A federally supported incentive fund could provide more start-up grants to help Iowa achieve its commitment to expand pre-k to *all* districts.

- Enhance existing programs. Districts already receiving formula funding for pre-k still face challenges. The Iowa program only requires providers to offer 10 hours of services per week.¹⁴ Research indicates that children benefit more from an early education program that provides a full school day.¹⁵ In light of this evidence, Iowa might use federal funds to match a district's investment in increasing program hours. As with the start-up grants, once the program is operational, the state and district would take ownership of funding.

Today, nine states and the District of Columbia base pre-k funding on enrollment using a state formula.¹⁶ In Iowa, the allocation of state funds for pre-k is intended to provide predictable, equitable and sustainable funding to improve the quality of early childhood education and increase the number of participating children. A targeted, limited federal grant, designed to encourage districts to implement and expand research-proven early education services could provide the boost states like Iowa need to help more children enter school ready to learn.



Recommendations for Federal Policy Makers

The reauthorization of the Elementary and Secondary Education Act offers a critical opportunity for federal policy makers to provide support for state pre-k. To that end, Congress should consider the following recommendations:

Federal Pre-K Investment:

A federal incentive fund that states could allocate to improve early education from pre-k to third grade, based on the unique needs and capacities of each state, would help prepare more children for success in school, providing the foundation for effective statewide education reform.

Federal dollars could be used by states for a specific, limited, research-proven set of strategies that include:

- Matching or otherwise encouraging school districts to invest in high-quality pre-k;
- Matching school system investments in full-day kindergarten; and
- Supporting the alignment of curricula, standards, professional development and assessments in pre-k and the early grades to bolster each child's development and growth.

This investment would reflect the commitment of leaders in Congress and the administration to rigorously evaluated and effective education reforms.

High Quality Standards:

Congress should set minimum standards based on nationally recognized research. To ensure that pre-k classrooms supported by the fund are high quality and developmentally appropriate, policy makers should align federal guidelines with established quality standards such as the benchmarks developed by the National Institute for Early Education Research at Rutgers University.

Endnotes

- ¹ Albert Wat, "Dollars and Sense: A Review of Economic Analyses of Pre-K," (Washington, DC: Pre-K Now, 2007).
- ² See: Geoff Marietta, "Lessons in Early Learning: Building an Integrated Pre-K-12 System in Montgomery County Public Schools," in *Education Reform Series* (New York, NY and Washington, DC: Foundation for Child Development and Pew Center on the States, 2010). http://www.preknow.org/documents/montgomerycounty_aug2010.pdf; Kristie Kauerz, "Prek-3rd: Putting Full-Day Kindergarten in the Middle," in *Policy to Action Briefs* (New York: Foundation for Child Development, 2010). <http://www.fcd-us.org/sites/default/files/FINAL%20Kindergarten%20Brief.pdf>.
- ³ See: Ellen Boylan and Shad White, "Formula for Success: Adding High-Quality Pre-K to State School Funding Formulas," (Washington, DC: Pew Center on the States, 2010). http://www.preknow.org/documents/schoolfundingformula_may2010.pdf; Education Justice, "Vermont," Education Law Center, <http://www.educationjustice.org/states/vermont.html>.
- ⁴ Communications with Janine Blatt, Early Childhood Consultant, Maine Department of Education, 9/23/10.
- ⁵ Pre-K Now, "Votes Count: FY11," Pew Center on the States, <http://www.preknow.org/votescount/index.cfm>; Communications with Janine Blatt, Early Childhood Consultant, Maine Department of Education, 10/19/10.
- ⁶ "2010 Session of the Rhode Island General Assembly," in *Legislative Wrap-Up* (Providence: Rhode Island KIDS COUNT, 2010). http://www.rikidscount.org/matriarch/documents/6481LegiWrapUp10_v8.pdf
- ⁷ Personal communications with Elizabeth Burke Bryant, Executive Director, Rhode Island KIDS COUNT, 10/19/10
- ⁸ Pre-K Now, "Leadership Matters: Governors' Pre-K Proposals Fiscal Year 2010," (Washington, DC: Pew Center on the States, 2009), 5. http://www.preknow.org/documents/LeadershipReport_May2009.pdf.
- ⁹ Cynthia Rice, "Linking Learning: Congress Should Follow New Jersey's Lead on Early Learning," in *Policy Briefs* (Newark: Advocates for Children of New Jersey, 2010). <http://www.acnj.org/admin.asp?uri=2081&action=15&di=1816&ext=pdf&view=yes>.
- ¹⁰ Pre-K Now, "Votes Count: Legislative Action on Pre-K Fiscal Year 2010," (Washington, DC: Pew Center on the States, 2009).
- ¹¹ "Statewide Voluntary Preschool Program Fact Sheet," (Des Moines: Iowa Department of Education, 2010). http://www.iowa.gov/educate/index.php?option=com_docman&task=doc_download&gid=9655&Itemid=1507.
- ¹² Boylan and White, "Formula for Success: Adding High-Quality Pre-K to State School Funding Formulas."
- ¹³ "Statewide Voluntary Preschool Program Fact Sheet."
- ¹⁴ W. Steven Barnett et al., "The State of Preschool: 2009 State Preschool Yearbook," (New Brunswick: National Institute for Early Education Research, Rutgers, The State University of New Jersey, 2009), 54.
- ¹⁵ See: Huafang Zhao and Shahpar Modarresi, "Evaluating Lasting Effects of Full-Day Prekindergarten Program on School Readiness, Academic Performance, and Special Education Services," (Rockville: Office of Shared Accountability, Montgomery County Public Schools, 2010). <http://www.montgomeryschoolsmd.org/departments/sharedaccountability/reports/2010/10.04.30%20Pre%20K%20report.pdf>; Kenneth B. Robin, Ellen C. Frede, and W. Steven Barnett, "Is More Better? The Effects of Full-Day Vs. Half-Day Preschool on Early School Achievement," (New Brunswick: National Institute for Early Education Research, Rutgers, The State University of New Jersey, 2006). <http://nieer.org/docs/?DocID=144>; "Para Nuestros Ninos: Expanding and Improving Early Education for Hispanics – Main Report," (Tempe, AZ: National Task Force on Early Childhood Education for Hispanics, 2007). http://www.ecehispanic.org/work/expand_MainReport.pdf.
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