



Preschool Funding Proposal

Submitted to:

The Governor's Blue Ribbon Task Force
on Financing Student Success

By:

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Introduction

The early years of a child's development are critical to establishing a foundation for success. Recent research into brain development has revealed the importance of stable, nurturing relationships and enriching experiences as the building blocks of children's social, emotional, and intellectual development.

Increasingly pre-kindergarten is being considered as a prerequisite for readiness for school success. Children who are not enrolled in pre-school at 4 years of age are often not participating for economic reasons. It is hard to imagine that children who don't have access to quality preschool settings will be ready for kindergarten (National Center for Children in Poverty).

At the same time, there is a growing concern that the quality and equity of early care and learning opportunities experienced by many children is not sufficient to address the readiness skills necessary for success in kindergarten.

Ohio data indicate that more than 200,000 children spend time in non-parental care for all or a portion of the day. Current data indicates that only 2% of children are in center based programs that meet standards of quality that are correlated with improved achievement (National Association of the Education of Young Children). A growing body of scientific evidence suggests that the quality of young children's environments and social experiences lay the groundwork for success in school.

In addition, children of low-income families are found disproportionately in less formal, less enriched settings, which yield lower school readiness and lower achievement at the start of kindergarten and consequently, for some children throughout the school years (Inequality at the Starting Gate, 2002). Providing quality early learning experiences as a school readiness agenda must be within reach of all families regardless of setting and income level.

Ohio Demographics

Ohio census data indicates that there are 300,000 children, three and four years of age. Over 200,000 these children, spend some or all of their time in non-parental care.

- 24% of children (73,722) three and four years of age live in poor families (\$18,850 per year for a family of four at 100% FPL)

- 27% of children (81,751) three and four years of age live in low-income families (\$37,700 for a family of four at 200% FPL)
- 21% of children (63,451) three and four years of age live in middle income families (\$56,550 for a family of four at 300% FPL)
- 48% of low-income families include at least one parent who is employed full-time, year-round
- 34% of low-income families include parents who are employed part-year or part-time
- 18% of low-income families have no employed parents.

Current Access to Early Learning

The introduction to this proposal spoke to educational and cost benefits of providing high quality preschool programs. It is clear from the research that while all children benefit from the services, children living in poverty benefit the most.

Ohio has had a commitment to providing preschool programs through public school and Head Start agencies. While this investment is significant there are many children who do not have the benefit of a quality preschool experience.

Of the more than 306,000 three and four year old children, 155,743 are considered poor or low income. Only 37 percent of the poor and low income children, have access to preschool through public schools or Head Start providers.

The Cost of Early Learning

The following guiding principles serve as the rationale of financing early learning programs for Ohio's children, three and four years of age.

- Access to and parent choice of affordable quality early learning programs for all income levels.
- Actualization of cost efficiencies by using and building upon the current system.
- Capitalization and simplification of the use of federal, state and local dollars, and parent fees for program revenues.
- Inclusion of preschool children in the basic aid formula.

The cost per child to provide basic early learning services is \$9,073. This estimated cost of quality basic early learning services is based on the policy specifications developed for Ohio by the Universal Financing of America's Children Project (Richard N. Brandon and Sharon L. Kagan, co-directors). The specifications for quality early learning services include the following:

- Average child to adult ratio of 1:10;
- Combination of teachers with BA and AA degrees;
- Salaries and benefits, paid at the level provided for public school teachers;
- Ongoing professional development;
- Administrative and infrastructure costs to support monitoring and oversight;
- Services provided for an average of 30 hours per child per week, for 50 weeks a year;
- Parent education and family support;
- Family and community liaison;
- Comprehensive services to meet the full range of children's developmental needs—social, emotional, cognitive, linguistic and physical;
- Quality program standards;
- Periodic assessments of children's achievement;
- Program evaluation; and
- Transportation.

Phase-In Approach

The long-term vision is to provide universal access to affordable, quality early learning services. Funding school readiness is a benefit to children and families at all income levels. Phasing-in early learning programs for all families by income level presents resource and infrastructure considerations. This proposal provides information relative to increasing access to affordable, quality early learning services. Yet, the full cost of school readiness for all families will require increased investments to build the infrastructure: costs to higher education, facilities, and family support services.

The initial phase-in plan is in alignment with other social service programs, that is 66% participation rate (See Note *). Providing coverage to families up to three times the federal poverty level, or those of middle-income, would provide early learning services for 48% of children three and four years of age.

While the phase-in approach limits the numbers of children served, it adheres to the guiding principals of access, affordability and inclusiveness.

The cost estimates are quite sensitive to the rate of participation by potentially eligible families. There is not much analytic literature on participation rates in early childhood education subsidized systems.

What can be gleaned from the studies of participation in other social benefit programs is that participation is estimated at 66 percent.

Funding Options (millions)	Number and Percentage of 3-and 4- Year Olds Funded: Different Preschool Funding Options							
	Poor (100%)		Near Poor (185%)		Lower Income (200%)		Middle Income (300%)	
	# of Children (49,148*)	% of Children	# of Children (41,811*)	% of Children	# of Children (12,869*)	% of Children	# of Children (42,301*)	% of Children
04 Base \$478.3	48,705	99.1	6,252	15.0	0	0.0	0	0.0
Base + \$100	443	100.0	10,578	40.3	0	0.0	0	0.0
Base + \$200		100.0	11,022	66.6	0	0.0	0	0.0
Base + \$300		100.0	11,022	93.0	0	0.0	0	0.0
Base + \$400		100.0	2,937	100.0	8,084	62.8	0	0.0
Base + \$500		100.0		100.0	4,785	100.0	6,237 **	14.7

Notes:

*/ This total is approximately two-thirds of the total number of three and four year olds at this income level. This proportion is gleaned from studies of actual participation rates in other social programs.

**/ To fully fund (100%) these "300% of poverty" children, the total additional funding would be Base + \$827.2M (or an additional \$327.2M beyond the Base + \$500M level).

Summary

To reduce the inequalities in students' success in school, it will be necessary for Ohio to address differences that exist among children before they start school. Building on current state and federal investments and recognizing that 54,957 of Ohio's poorest children are served, an additional \$100 million in GRF would expand quality early learning services to an additional 11,021 children who may be at-risk of school failure.

Allocation of these dollars, by the Ohio Department of Education, would be directed to low performing school districts. The \$100 million would be used by the lowest performing school districts to provide early learning services as one approach to improve results and begin to close the unacceptable achievement gaps that exist at all grade levels.

Districts would be required to design quality early learning services aligned to other school improvement efforts. They would be required

to be planful in their procurement of these services and to focus on integrated strategies around the feeder communities to their lower performing elementary schools. Districts would have the option of providing their own early learning services and/or contracting for the services with another provider in the community. With contracting the districts would be required to be involved in the design, delivery, and oversight of the programs.

The additional \$100 million, would afford school readiness opportunities to 43% (65,978) of the poor and low income three and four-year old children in Ohio.