

# Early Childhood Education: Frozen Funding Leads to Cracks in the Foundation

2/7/2012

Alliance for Quality Education  
Citizen Action of New York  
Winning Beginning New York



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**Acknowledgements**

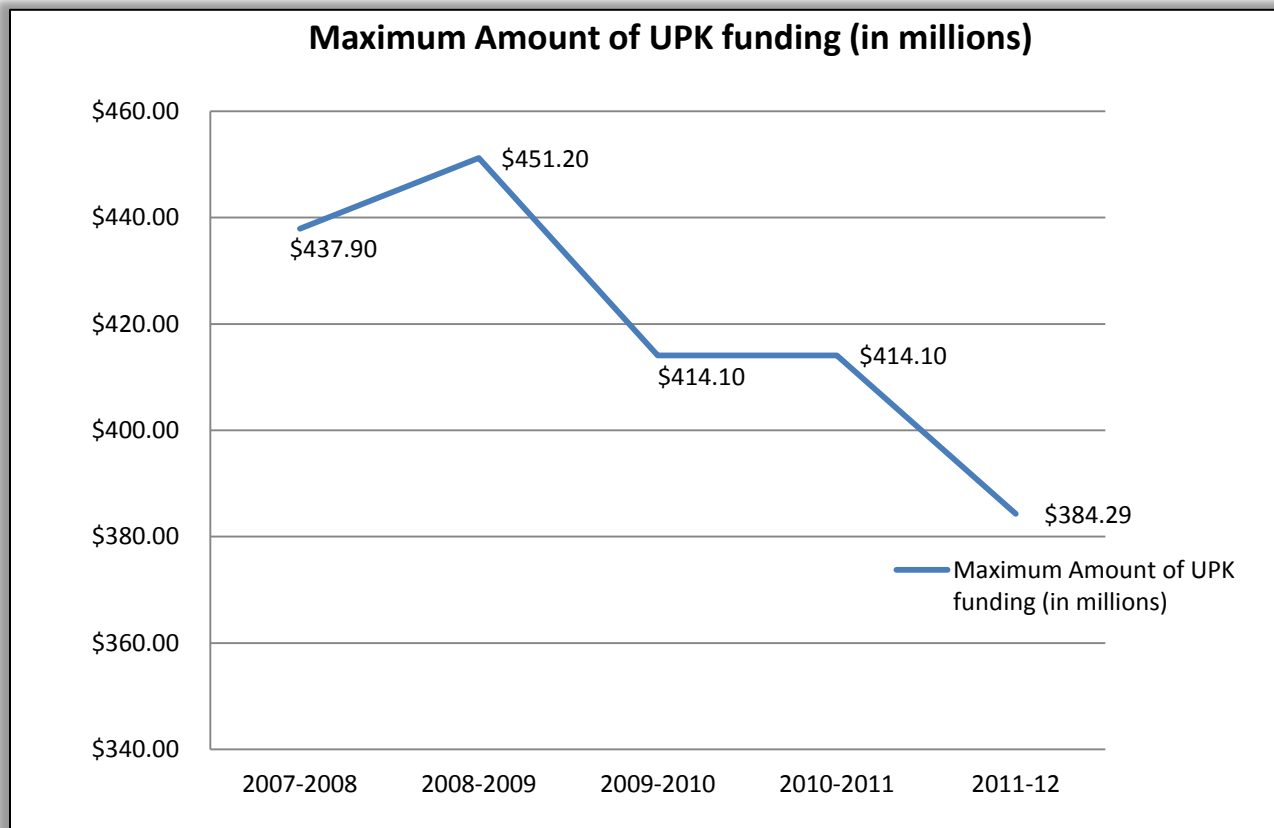
We would like to thank Betty Holcomb, Director of Policy at the Center for Children's Initiatives for her valuable feedback and information provided. Also, special thanks to the co-conveners of the Winning Beginning NY Coalition, which are the Center for Children's Initiatives, the Early Care and Learning Council, the NYS Association for the Education of Young Children, and the Schuyler Center for Analysis and Advocacy, as well as the Long Island Progressive Coalition for the feedback and information they provided. In addition, we would like to thank Susan Antos and the Empire Justice Center, as well as Dana Friedman and the Early Years Institute for the valuable information they provided.

The research and policy work for this report was provided by the Public Policy and Education Fund (PPEF). The following foundations have provided support to the Public Policy and Education Fund: Schott Foundation for Public Education, the Child Care and Early Education Fund. They have not provided support for legislative advocacy related to this report.

We would also like to thank the Rauch and Hagedorn Foundations for the support they provide for PPEF's work on Long Island.

## ***The Reality of 2012: Moving in the wrong direction***

Early childhood education is the cornerstone of our educational system. With benefits that include higher academic achievement, higher earnings as adults, a more productive civic life,<sup>1</sup> high quality early childhood education is a proven-to-work strategy for all children<sup>2</sup>. Yet, New York State's investment in early childhood programs and specifically in the Universal Prekindergarten (UPK) program has decreased over the years. The table below shows the evolution of Pre-K funding since 2007.



**Data Source:** NYSED

<sup>1</sup> Highscope Perry Preschool Study <http://www.highscope.org/Content.asp?ContentId=282>

<sup>2</sup> Groginsky, S, Christian, S. and McConnell, "Early Childhood Initiatives in the States: Translating Research into Policy," State Legislative Report – Vol. 23, No-14, June 1998. Available at [www.ncsl.org/issues-research/...report-early-childhood-initiati.aspx](http://www.ncsl.org/issues-research/...report-early-childhood-initiati.aspx)  
Hull, Jim, "Starting out Right: Pre-K and Kindergarten." Center for Public Education, November 2011. Available at [www.centerforpubliceducation.org](http://www.centerforpubliceducation.org).

Karoly, L.A. and Bigelow, J.H., have published several studies on the costs and benefits of public preschool programs, which document the long-term gains for children who have access to high-quality programs. See, for example "Early Childhood Interventions, Proven Results, Future Promise" and "The Costs and Benefits of Universal Preschool in California," both published in 2005. Available at [www.rand.org](http://www.rand.org)  
The National Institute for Early Education Research has also published a range of multi-state studies on the short-term and long-term benefits of public Prekindergarten, as well as analysis of the costs and benefits of state Pre-K programs which can be found at [www.nieer.org](http://www.nieer.org).

Table 1. Evolution of the Pre-K Grant

Year	Number of School Districts eligible to participate	Maximum Number of Students to be served	Maximum Amount of UPK funding (in millions)
2007-2008***	672	116,745	\$437.9
2008-2009	672	121,120	\$451.2
2009-2010	451	109,031	\$414.1
2010-2011	451	108,415	\$414.1
2011-2012	444	104,800*	\$384.2
2012-2013	441	104,800**	\$384.2

\*Data from the Enacted Budget 2011-12

\*\*Data from the Executive Budget 2012-13 which proposes maintaining the amount at the same level as the previous year.

\*\*\* the 2007-08 formula replaced UPK, SUPK and district-operated TPK

Source: CCI/ NYSED

As the table shows, the number of school districts eligible to apply for the grant was capped in 2009, making the school districts that did not apply in 2007 and 2008 ineligible to do so moving forward. The decision not to apply was made for a variety of reasons, including: insufficient per-pupil funding, a lack of developmentally-appropriate transportation, and the caveat that state does not provide funding to support full-day programs. Districts that did not apply the first year forfeited their ability to apply in subsequent years.

**"For parents, the reduction of programs and staff, including and especially cutting Pre-K to half day, are devastating to the district. Further cuts are non - negotiable, our schools will not be able to open their doors in September," says Kelly Chiarella, Regional Director of the Westchester Parent-Teacher Association Council and a resident of Yonkers, where Pre-K services were cut from full-day to half-day services last year. Six hundred four-year-olds landed on the waiting list for a full-day Pre-K seat.**

## NYS's Youngest Students are taking the hit

- **Yonkers:** Full-day Pre-K cut to a half-day service – a.m. and p.m. classes in the public schools.
- **Poughkeepsie:** Reduced Kindergarten program from full-day to half-day, eliminated alternative program for disruptive students, cut recess time because of layoffs to teachers' aides.
- **Rockland County:** Waiting lists for Pre-K in eight districts (80 children total). Three of the 8 districts in Rockland have half-day Kindergarten and are seriously considering eliminating programs altogether this year.
- **White Plains:** Cut Pre-K in half, from 6 classes to 3.
- **Huntington and Elwood:** Cut full-day K this year.
- **Long Island:** 31 of the 118 school districts have waiting lists for Pre-K (2010-11). Only 25 serve all eligible children. 100 children were turned away in 5 districts (Brentwood, Eastport-South Manor, Levittown, Port Washington and Sachem Central) (Early Years Institute, Plainfield, NY)

In addition to capping the number of eligible school districts to those that had already applied and received the grant, the amount dedicated to Pre-K decreased over the years. Coupled with the fact that there are restrictions to the ways that funding can be used and a requirement to maintain enrollment at the previous year's level to avoid penalization, some school districts cannot continue to participate and have dropped the grants.

Studies show that most families cannot afford private tuition for preschool. With tuition now running to about \$13,000 a year on average, it exceeds the cost of public college and is often second only to rent or mortgage payments<sup>3</sup>. As a result, a growing number of children are losing out. National studies show a growing middle class gap in access to preschool<sup>4</sup>. Most alarming, the research shows that the preschool years offer a particular window of opportunity to influence brain development and set children on a course for success. The brain is literally developing the architecture for later learning. Without quality early learning experiences, children start out behind and tend to stay behind in school<sup>5</sup>.

<sup>3</sup> Center for Children's Initiatives Primer 2011 [http://www.centerforchildrensinitiatives.org/ccinyc/Website\\_PDF\\_s/CCI-Primer-2011\\_14.pdf](http://www.centerforchildrensinitiatives.org/ccinyc/Website_PDF_s/CCI-Primer-2011_14.pdf)

<sup>4</sup> <http://nieer.org/resources/factsheets/13.pdf>

<sup>5</sup> National Research Council and Institute of Medicine (2000) *From Neurons to Neighborhoods: The Science of Early Childhood Development*. Jack P. Shonkoff and Deborah A Phillips. Washington, D.C. National Academy Press

“Nothing has been said officially yet, but I believe the possibility of Kindergarten going to back to a half-day program is a real one. With the 2% tax cap on the table, and unless there is a massive infusion of state aid to our district, I don’t know if we will have a choice.”

Prekindergarten administrator of a low-wealth, high-need school district on Long Island

Yet, New York has frozen Pre-K funding, reducing services for young children. Reductions in state aid have also led many districts to consider cutting Kindergarten programs either from full to half-day or entirely.

With the cuts to school aid and to the Pre-K grant, many school districts, including New York City, have found themselves in a position where they are creating long waiting lists while contemplating cutting early learning and development programs even further in the following year.

In addition to Pre-K funding decreasing over time, counties are cutting child care subsidies for lower income working families, thereby reducing access to services for even more children.

### Counties Cutting Child Care Services and Subsidies\*

- **Albany County:** Stopped taking applications for child care services from working families as of April 23, 2010. This moratorium lasted for over one year.[\[1\]](#)
- **Columbia County:** No longer processing child care applications for working families as of November, 2011.[\[2\]](#)
- **Erie County:** Lowered its eligibility guidelines for low income working parents from 200% of poverty to 125% of poverty effective 3/5/10, leaving 1,100 children in 700 families without child care.[\[3\]](#)
- **Fulton County:** Discontinued payments to 140 families in October of 2011 [\[4\]](#)– some families saw this funding restored the following month when the County Board of Supervisors restored some of the funding.[\[5\]](#)
- **New York City:** Nearly 16,000 children in New York City are at risk of losing their seat in a subsidized classroom or a voucher to pay for their care on June 30, unless new funding is found. Currently, the City serves only about 27% of all eligible families.\*\* Ninety percent of children in subsidized care live in families earning 135% of poverty or less – the City runs out of funding before it can serve the tens of thousands of other families who are eligible and in desperate need of help paying for care.\*\*\* The City has also closed several dozen child care centers, and tripled co-pays for the lowest-income families.
- **Monroe County:** More than 500 three-year-olds are on waiting list for public prekindergarten services in Rochester and the city's state UPK allocation falls short of supporting all the four-year-olds who want to attend. Seventy children are now served, without state aid, creating a hardship on the school district budget. In addition, Rochester has lowered eligibility for child care subsidies, to 165% of poverty, making it harder for families to pay for care even when they find it.
- **Westchester County:** With the County facing a serious shortfall in local revenues, 600 subsidies are at risk of being cut.
- **Oneida County:** Stopped processing new applications for child care and discontinued benefits for those in education and training in November of 2011.[\[7\]](#) In early December 2011, the County announced that it will be ending child care subsidies for all families over the federal poverty level.[\[8\]](#) This affected 425 families, or 30% of the 1,375 local families receiving subsidies.[\[9\]](#) As a result of the facilitated enrollment funding allocated in December, 2011 in the supplemental state budget of 2011-12, the Workforce Development Institute was able to reinstate child care assistance to 250 of those 425 affected families, which however, will only be continued until March 31, 2012.
- **Suffolk County:** On December 20, 2011, the County mailed notices to all families with children over 185% of the poverty level advising them that they could no longer afford to pay their subsidy.

\*Information provided by Susan Antos at the Empire Justice Center.

\*\*The Administration for Children's Services reports in its own needs assessment that only 25% of eligible children living in families with incomes of up to 200% of poverty receive services. Since the City has set a goal of serving families up to 275% of poverty, that is a conservative estimate.

\*\*\*Mayor's Preliminary Budget, Feb. 2012.

# ***Quality Prekindergarten: A Strategy Proven to Lead to Success***

The cuts are occurring even as the evidence grows that early learning and development is foundational to children's success in school and later life. Children who attend quality early learning programs are more likely to be reading at grade level by the third grade, graduate high school, and go on to college, and are less likely to be incarcerated. Studies show they are also more likely to have higher earnings as adults. Research on New York State's implementation of public preschool shows the State could save up to \$9,500 per child in reduced need for remedial services during the K-12 years.<sup>6</sup>

Federal Reserve economists and even one of the nation's Nobel Laureates have identified investments in quality early childhood education as the best economic and educational investment state governments can make, with a high return to children, communities, schools and taxpayers.

**Within Ten years of Investment in Quality Prekindergarten, New York State can see Cost Savings of approximately 40% to 60% in:**

- Special education spending
- Grade repetition
- Higher learning productivity achieved by lowering teacher turnover, reducing classroom disruptions and school vandalism, improving use of curriculum materials<sup>7</sup>

## **Pre K: Integral Part of the Campaign for Fiscal Equity and a "Sound Basic Education"**

In the Campaign for Fiscal Equity decision, New York State's Court of Appeals, the State's highest court, defined the purpose of a "sound basic education" as "to enable children to eventually function productively as civic participants capable of voting and serving on a jury<sup>8</sup>." Quality Prekindergarten increases the likelihood of achieving that purpose. Studies of the long-term effects of high quality Pre-K programs show that their payback in social terms is even greater than their big cost-savings to the education system.

These include:

- Increased likelihood of going to college and getting higher paying jobs
- Lower teen pregnancy
- Lower welfare dependence
- Reductions in delinquency/crime<sup>9</sup>

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<sup>6</sup> Belfield, C. R. (2004). *Research Briefing: The PreK Payback*. Winning Beginning NY. Teachers College, Columbia University.

<sup>7</sup> Belfield (2004).

<sup>8</sup> Campaign for Fiscal Equity v State of New York, 86 NY2d 307, 316 [1995][CFE I].

<sup>9</sup> Belfield (2004).

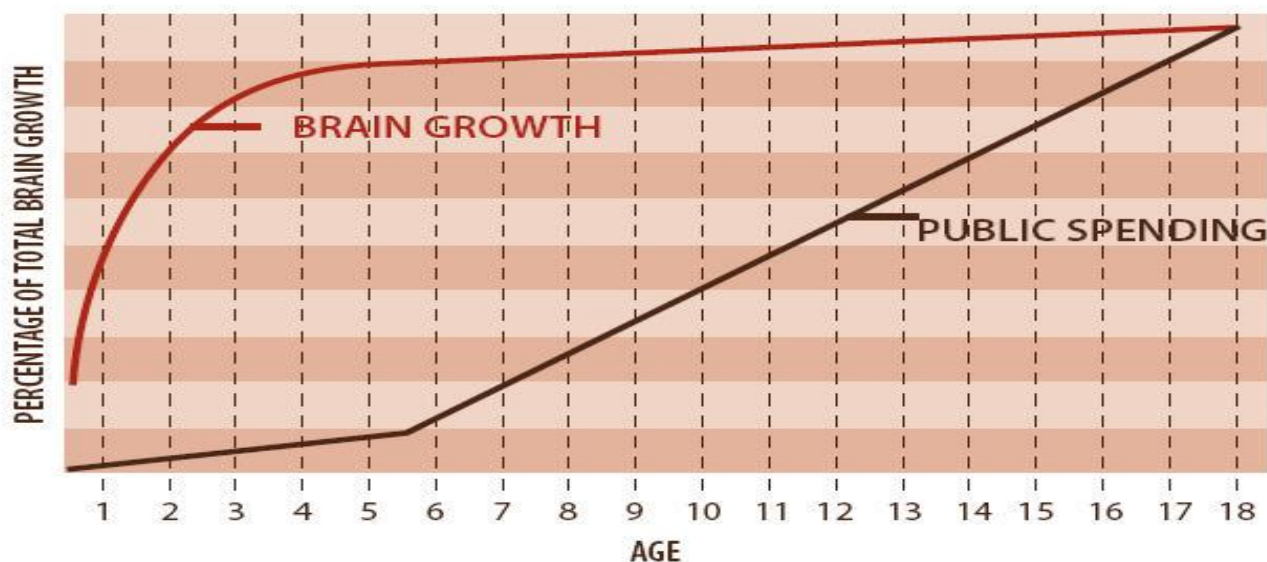
Highscope Perry Preschool Study <http://www.highscope.org/Content.asp?ContentId=282>



## Early Learning: Why We Need to Invest in Young Children

### BRAIN GROWTH VERSUS PUBLIC EXPENDITURES

*Children Ages 0-18*



Brain development: D. Purves, "Body and Brain," Harvard University Press, 1988 adapted from D.W. Thompson, on Growth and Form, Cambridge University Press, 1961. Public spending on children: Derived from R. Haveman and B. Wolfe, "The Determinants of Children's Attainments: A Review of Methods and Findings," Journal of Economic Literature, Vol. 33, December 1995. Graphics: United Way.

### ***Strong Commitment by School Districts now in Jeopardy***

Even though the Pre-K grant funding has declined over the years and fewer school districts are receiving this grant, many participating school districts added local revenue to serve more children. This indicates a strong commitment from school districts to provide a solid foundation for their students, recognizing that it is the most cost effective way of providing them with the opportunity to learn. However, this commitment is now in jeopardy after the implementation of the property tax cap.

The property tax cap, enacted in 2011 and effective in the 2011-12 school year, does not allow school districts to increase their tax levy by more than 2%. This causes particular difficulty for poor and below-average wealth school districts that have smaller tax bases and more high-need students who need the solid foundation that UPK offers. These districts will be restricted in raising local revenue to be able to serve more students than the UPK funding allows.

“My superintendent has already been in to see me to ask if we couldn’t spread my salary over other services,” said one Pre-K administrator in Western New York. The district added a Pre-K classroom this year to meet the growing demand – and she still had enough children on a waiting list to fill another class. “My guess is that we will lose ground this year. I will lose my coordinator and other staff. The next step, without additional Pre-K funding, is direct services.”

## ***The Funding Exists -- Reprogram Funding from the Experimental Competitive Grants to a Proven Strategy: Quality Prekindergarten***

The Legislature should follow the Board of Regents’ recommendation to add \$53 million to the Pre-K grant<sup>10</sup>. The funding should come from the amount now committed to competitive grants. Instead of investing \$250 million in experimental programs such as the competitive grants, the State should invest it in proven-to-work strategies such as quality Prekindergarten.

**Adding \$53 million to the grant will make it possible to provide up to 14,000 four-year-olds in the State with access to Pre-K.<sup>11</sup> This could bring the total number of children covered to above 2007 levels to almost 120,000 children or 45% of the four-year-olds in the State.**

**If the State invests \$53 million in expanding the Pre-K program, within 10 years it can realize savings between \$22 million and \$32 million<sup>12</sup>.**

In addition, the State should consider using part of the funding to implement QUALITYstarsNY, the State’s (QSNY) voluntary quality rating and improvement system. QSNY is designed to assess and improve the quality of participating programs by providing professional development opportunities and technical support to teachers.

In addition, the Executive Budget Gap Closing Plan accompanying the Executive Budget 2012-13 proposes \$215 million in Temporary Assistance to Needy Families (TANF) Child Care Replacement Funds for 2013-14 to offset the anticipated loss of federal funds and maintain current funding levels for child care subsidies. An advance of that investment should be made this year to ensure that children have access to high-quality services vital to their success.

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<sup>10</sup> New York State Board of Regents Proposal on State Aid to School Districts for 2012-13  
<http://www.p12.nysed.gov/stateaidworkgroup/2012-13RSAP/RSAP1213final.pdf>

<sup>11</sup> The estimate number of additional slots is based at the average rate of \$3,667 per child. The UPK grant is given out to school districts on a need basis, depending on how many children live in poverty, are English Language Learners, have disabilities etc.

<sup>12</sup> Using the same methodology used in the Belfield, C. R. (2004). *Research Briefing: The PreK Payback*. Winning Beginning N.Y. Teachers College, Columbia University

## ***Conclusion***

New York State has an opportunity to improve children's success in school and in life, as well as their parents' productivity and their communities' economic viability, by investing in early learning and development programs—namely Pre-K, Kindergarten, and child care. The State can make the most of this opportunity by utilizing existing funding—\$53 million from the \$250 million proposed for competitive education grants—to expand and improve programs. Our students, families, and workforce will benefit from this investment in the earliest years.

### ***Recommendations***

- Reprogram \$53 million from the competitive grants (as proposed in the Executive Budget) to Universal Prekindergarten to expand the program to cover thousands more children, prepare qualified teachers and provide the technical support necessary to ensure sustainable quality.
- Adopt the \$93 million in child care funding (as proposed in the Executive Budget 2012-13) and make an advance on the proposed \$215M (Executive Budget 2012-13) in child care preservation funds for FY 2013-2014 to ensure that children of low-income working parents are able to receive subsidies.

## References

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- [9] Id.