



Hoosier Community Pre-K

The Department of Education's Recommendations to Implement High-Quality Pre-K by 2020

[WORKING DOCUMENT]



IMAGINE 2020

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Indiana Superintendent of Public Instruction



Indiana Department of Education

Building an education system of equity and high-quality,
focused on student-centered accountability.

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Hoosier Community Pre-Kindergarten

The Department of Education's Recommendations to Implement High-quality Pre-K by 2020

Executive Summary

The Department of Education recognizes the incredible importance of high-quality early learning experiences for young children, and as part of the vision outlined in *Imagine 2020*, Superintendent Ritz recommends the following actions to implement high-quality, universal, state-funded Pre-K by 2020. The action items include:

- Voluntary programming for 4-year-olds.
- Available to providers that meet Paths to QUALITY™ Level 3 and 4.
- Available to providers that offer full day Pre-K programming for at least 180 days per school year.
- Available to providers that require lead teachers to have bachelor's degrees with specialized training in early childhood education where teacher parity to K - 12 colleagues is an important consideration.
- Available to providers participating in the Community Pre-K Coalition, which will be established within the boundaries of each of the state's 289 school corporations.
- Available to build high-quality Pre-K capacity and infrastructure where none exists.
- Using a multi-agency approach, the Department of Education, the Family and Social Services Administration, and Department of Health will expand early learning infrastructure, which includes health and safety standards, learning environments, a planned curriculum, and highly qualified teachers.
- By 2020, the state will provide funding to support 50% participation of all Hoosier 4-year-olds, making Indiana the nation's 8th highest state for 4-year-old participation (See Appendix I).
- The Department estimates the cost of the Hoosier Community Pre-K Grant to be \$144,617,163 in the first year and \$173,219,120 in the second year. This represents less than 1% of the state budget over the biennium.
- The Department estimates the initial cost of building early learning infrastructure—a process that would have been well under way had the state received federal funding—to be \$10,500,000 per year.
- By using a combination of existing resources, redirecting reverted allocations from the budget, responsible budgeting, reprioritizing current budget appropriations, leveraging federal dollars, and providing savings for Hoosier taxpayers, the State of Indiana can responsibly fund high-quality Pre-K without opening any new revenue streams.



Outcomes by 2020

1. All Hoosier four-year-olds will have the opportunity to attend a fully funded high-quality Pre-K program.
2. A robust early learning infrastructure will be available within the geographical boundaries of every school corporation and supported by a state-funded community early learning grant.
3. High-quality Pre-K programs will achieve measureable results to ensure students are ready for kindergarten.
4. Indiana communities will recognize the significance of kindergarten transition for children and families.
5. Indiana communities will support the birth to age eight early learning continuum.

Research demonstrates the impacts of high-quality Pre-K programs on the development of young learners. Research also demonstrates the significant economic impacts of state investments in Pre-K. And while the educational and economic evidence are persuasive, the Department of Education supports early learning expansion because it is the right thing to do. To that end, the Department recommends a side-by-side approach recognized by other state best practices (see Appendix II) that (1) builds a lasting early learning infrastructure and (2) provides a lasting state investment that guarantees quality and access for all Hoosier 4-year-olds.

Through a multi-agency approach, expand and support early learning infrastructure

Indiana should continue its path of multi-agency collaboration with a mixed-delivery system approach to building a strong early learning infrastructure. Infrastructure includes health and safety, early learning environments, a planned curriculum, and highly qualified teachers. In 2013, multiple agencies spent hundreds of hours developing a 239-page application for the U.S. Department of Education's [Race to the Top Early Learning Challenge Grant](#). Although Indiana did not receive this grant, the proposals outlined by these agencies, and subsequently supported by the Early Learning Advisory Committee (ELAC – See Appendix III), should be implemented and supported by the General Assembly.

State investment via Community Pre-K Coalitions

In addition, the Department recommends a statewide scale-up to offer universal access to high-quality Pre-K programs for all four-year-olds by establishing strong public-private partnerships through the support of Community Pre-K Coalitions. These Coalitions will be established within the geographic boundaries of all traditional public school districts and all high-quality Pre-K providers may participate. Public schools have a strong voice to “accelerate improvement and innovation” of quality in early learning programs located within their communities.¹ The formation of the Community Pre-K Coalitions—comprised of the high-quality providers located within the geographical

¹ Council of Chief State School Officers. “Equity Starts Early: How Chiefs will build High-Quality Early Education.” March 2016.



boundaries of a school corporation, including the school corporation itself—will accelerate the creation and support of high-quality early learning programs. School corporations are already familiar with this approach. ESEA Title I programs require public schools to work with non-public schools within the boundaries of the school corporation to provide federal grant funds. Similarly, school corporations support public-private partnerships through 21st Century Community Learning Centers.

Why Pre-Kindergarten?

The research is clear that high-quality Pre-K leads to stronger school readiness. It particularly makes a difference for children from disadvantaged backgrounds. It is a smart investment that will strengthen our school systems and reduce long term cost to society. It is one of the best investments we can make to build a more prosperous state.²

A strong foundation in the early years sets the stage for a lifetime of success. The brain develops rapidly from birth to age eight, making thousands of neuro-connections each day. During these critical years, brain architecture is formatted that will affect everything from emotional well-being and physical health to the ability to learn and adapt to changing environments.

Research shows that only high-quality programs have a lasting impact. These programs provide for the physical well-being and address the developmental needs of the child while supporting the development of social and emotional skills, as well as cognitive brain development. “Early interventions in high-risk situations have the highest return, presumably through mitigating the effects of toxic stress by providing nurturance, stimulation, and nutrition. Child benefits include improved cognitive functioning, improved self-regulation, and advancement of development in all domains.”³

Demonstrable Gains from Pre-K Investments

- Educational
 - Language gains, reduces the “word gap”
 - Less likely to be placed in special education
 - More likely to graduate high school
 - More likely to attend college

² Early Learning Indiana – Pre-K Expansion Plan Stakeholders Meeting, 3/29/2016

³ American Academy of Pediatrics, Poverty and Child Health in the United States, April 2016



- Social
 - More likely to own a car or home
 - Less likely to be incarcerated
- Economic
 - Increased annual earnings
 - Decreased health care cost (teen pregnancy and smoking)
 - Decreased public safety costs
 - Average annual return on investment of 7% to 10% ⁴

What Is High-quality?

“When you walk into a high-quality Pre-Kindergarten program, you immediately see learning occurring. Children are engaged in small groups reading books, building interesting structures with blocks, and determining what sinks and what floats at the water table. The teachers are asking questions, pointing out children's successes and guiding learning. The room has a sense of purpose, organization, and excitement.

High-quality Pre-K programs can be found in many settings: schools, churches, mosques, synagogues, Head Starts, and public and private child care centers. Unless a state makes a commitment to building and funding a Pre-K system, however, families have trouble finding well-designed, high-quality programs that prepare their children for kindergarten, elementary school, and beyond. Research shows that children who attend high-quality Pre-K programs perform better in school and throughout life. They have more advanced language and math skills and enter kindergarten knowing how ‘school’ works . . .”⁵

To push for this kind of quality, many states have adopted quality rating and improvement systems (QRIS). In 2007, Indiana adopted the Paths to QUALITY™ rating system to incentivize high-quality programming for young children. The National Institute for Education Research (NIEER) has defined 10 primary components of the most effective QRIS. Those standards include:

⁴ Heckman, James, J. “The Heckman Equation”

⁵ The Pew Charitable Trusts. “What Is High-quality Pre-K?” June 2005.



1. Comprehensive early learning standards.

- Indiana note: In 2015, the Department of Education adopted the Early Learning Foundations, which are aligned to Indiana's 2014 academic standards.

2. Lead Pre-K teachers have a bachelor's degree.

- Indiana note: Not required in Paths to QUALITY™

3. Lead Pre-K teachers have specialized early childhood training.

- Indiana note: Paths to QUALITY™ requires Level 3 & 4 providers to have 50% of the staff with either a CDA or equivalent certificate, an early childhood degree or equivalent degree, or completed 60 clock hours of educational training leading to an early childhood/child development degree or CDA credential.

4. Assistant Pre-K teachers have a Child Development Associate (CDA).

- Indiana note: For Paths to QUALITY™, the 50% standard mentioned above is applicable to all staff, including assistant teachers.

5. Teachers participate in substantial number of hours of professional development.

- Indiana note: Paths to QUALITY™ requires Level 3 & 4 providers to have at least 50% of staff, including the Director, participate annually in a minimum of 20 clock hours of educational or in-service training focused on topics relevant to early childhood.

6. Maximum class size is 20 or fewer.

- Indiana note: For a 4 year-old only classroom, the maximum class size is 24.

7. Staff to child ratio is 1:10 or less

- Indiana note: For a 4 year-old only classroom, the maximum ratio is 12:1.

8. Children receive screening, referral and support services for vision, hearing, dental, health and other support areas.

- Indiana note: 470 IAC 3-4.7.84 requires *licensed* child care centers to submit written health plans that include details of participating children's physical health examinations. This examination, however, does not include vision, hearing, dental, or developmental screenings.

9. Children are provided meals and/or snacks.

- Indiana note: 470 IAC 3-.4.7-78 only requires *licensed* child care centers to serve meals and snacks.



10. Systems hold individual classrooms accountable and monitor to ensure quality standards are being met.

- Indiana note: At minimum, Paths to QUALITY™ programs receive one scheduled inspection per year, and if the program accepts Child Care Development Fund (CCDF) vouchers, the provider will receive at least one subsequent unscheduled visit.

In addition, high-quality Pre-K programs demonstrate a great return on investment to reduce kindergarten retention rates. Consider the following comparison of two large Indiana urban school districts:

- Indianapolis Public Schools' enrollment is 29,583 and has no district-wide Pre-K program. In the 2015-16 school year IPS served 256 retained kindergartners – 9.1% of all kindergartners.
- Fort Wayne Community Schools' enrollment is 29,483 and has a longstanding district-wide Title I Pre-K program. In the 2015-16 school year FWCS served 63 retained kindergartners – 2.5% of all kindergartners.⁶

The Current State of Pre-K in Indiana

Currently, Indiana has 84,769 4-year-olds. Indiana's early childhood system consists of many provider types including licensed child care centers, unlicensed registered ministries, licensed family child care homes, and public schools. This "mixed delivery" method is a core value of the existing system of quality providers in Indiana.

What We Know

- Only 1/3 of Indiana's early learners are in known early learning programs.⁷
- Only 37% of known early learning programs are considered high-quality.⁸
- During the 2015-2016 school year, Indiana spent \$31,824,272 to remediate kindergartners, which represents the cost of retaining 6.25% or 4,817 kindergartners.⁹

⁶ Indiana Department of Education. May 2016.

⁷ Early Learning Advisory Committee Annual Report. January 2016. (See Appendix III)

⁸ Early Learning Advisory Committee Annual Report. January 2016. (See Appendix III)

⁹ Indiana Department of Education. May 2016.



Current State Pre-K Investments

1. On My Way Pre-K Pilot Program (OMW) - \$10,000,000 per fiscal year.

- Available to serve 4-year-olds in a Level 3 or 4 Paths to QUALITY™ provider.
- 18 counties applied to be a part of the pilot. 5 counties were chosen.
- 1,585 4-year-olds are participating – 55% of those students are from Marion County.
- The system is closely aligned with the requirements of the Child Care Development Fund (CCDF) vouchers that parents may receive to send their children to child care. CCDF comes from the federal government in a block grant totaling approximately \$125 million. Families may only receive a voucher if their gross monthly income is below 127% of the federal poverty level. The requirement is the same for OMW.
- OMW requires a county-level private match of at least 10% of the total grant to the county. Some communities cannot meet this target.
- Since OMW is directly aligned to the Paths to QUALITY™ program, it does not require a highly qualified teacher. The requirement of a Level 3 provider is “50% of staff have either a CDA or equivalent certificate, an early childhood degree or equivalent degree OR completed 60 clock hours of educational training leading to an early childhood/child development degree or CDA credential.”
- The maximum reimbursement rate is \$6,800 per seat.

1A. Indianapolis Preschool Program (Indy PSP) - \$50,000,000 goal over 5 years.

- Indy PSP is a supplemental initiative of the city of Indianapolis that works alongside OMW.
- Over 5 years, the City has set a goal to achieve \$50 million in total funds (\$20 M City, \$10 M Private, \$10 M Philanthropic, \$10 M State).
- In 2015-2016, the Indianapolis City-County Council allocated \$4.6 M towards this effort.
- The mechanism for distribution is identical to OMW – the primary difference is that the Indy PSP will provide scholarships to families up to 185% of the federal poverty line.



Figure 1: On My Way Pre-K & Indy PSP Participation Numbers			
County	Active Participants OMW	Active Participants Indy PSP	Unmet Need*
Allen	217	NA	50%
Lake	227	NA	61%
Jackson	65	NA	29%
Marion**	880	716	64%
Vanderburgh	196	NA	37%
Totals	1,585	2,301 (including OMW & Indy PSP)	

*Unmet need refers to the percent of applicants that were unable to participate due to funding constraints.
 **Unmet need in Marion County includes both OMW and Indy PSP funding streams.

Figure 2: On My Way Pre-K & Indy PSP Cost per Scholarship		
County	Average	Maximum
Allen	\$6,444	\$6,800
Jackson	\$2,847	\$6,800
Lake	\$5,487	\$6,800
Marion-OMW	\$6,336	\$6,800
Marion-Indy PSP	\$6,315	\$6,800
Vanderburgh	\$6,052	\$6,800
State	\$6,133	\$6,800

2. Early Education Matching Grant (EEMG) - \$2,000,000 per fiscal year.

- The Early Learning Advisory Committee (ELAC) has oversight of EEMG.
- EEMG is a competitive grant and requires a 1:1 match up-front.
- EEMG requires highly qualified lead teachers to hold a bachelor’s degree.
- In 2015-2016, 19 programs are serving 491 4-year-olds.
- Spent \$1.4 million of the program’s appropriation, but the fund is non-reverting.
- The primary difference between OMW and EEMG is the mechanism. OMW uses a voucher, and EEMG funds programs.



Figure 3: Federal Poverty Level Guidelines by Pre-K Program				
Poverty Level:	100%	127%	130%	185%
Program:	EEMG	OMW/CCDF	Free Lunch	Reduced Lunch/Indy PSP
Family Size: 1	\$11,880	\$15,088	\$15,444	\$21,978
Family Size: 2	\$16,020	\$20,345	\$20,826	\$29,637
Family Size: 3	\$20,160	\$25,603	\$26,208	\$37,296
Family Size: 4	\$24,300	\$30,861	\$31,590	\$44,955
Family Size: 5	\$28,440	\$36,119	\$36,972	\$52,614
Family Size: 6	\$32,580	\$41,377	\$42,354	\$60,273
Family Size: 7	\$36,730	\$46,647	\$47,749	\$67,951
Family Size: 8	\$40,890	\$51,930	\$53,157	\$75,647

3. Pre-K in Public Schools

- The Department of Education has supported Pre-K in public schools by federal funding, Paths to QUALITY™ assurances, and implementation of the *Early Learning Foundations*.

Figure 4: Pre-K Enrollment as Reported*					
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Pre-K	9,540	9,167	14,785	16,206	18,530
*The enrollment numbers include 3-year-old students and do not necessarily include all 4-year olds.					

- Currently, school corporations are not required to report public Pre-K opportunities. The Department of Education, however, estimates that there are more than 80 public Pre-Ks.
- Currently, 45 public schools are participating in Paths to QUALITY™ system.



The Department's Plan to Make It Happen

The Department of Education recognizes the incredible importance of high-quality early learning experiences for young children, and as part of the vision outlined in *Imagine 2020*, Superintendent Ritz recommends the following actions to implement high-quality, universal, state-funded Pre-K by 2020. The action items include:

- Voluntary programming for 4-year-olds.
- Optional participation for Pre-K providers.
- Available to providers that meet Paths to QUALITY™ Level 3 and 4.
- Available to providers that offer full day Pre-K programming for at least 180 days per school year.
- Available to providers that require lead teachers to have bachelor's degrees with specialized training in early childhood education where teacher parity to K – 12 colleagues is an important consideration.
- Available to providers participating in the Community Pre-K Coalition, which will be established within the boundaries of each of the state's 289 school corporations.
- Available to build high-quality Pre-K capacity and infrastructure where none exists.
- Using a multi-agency approach, the Department of Education, the Family and Social Services Administration, and Department of Health will expand early learning infrastructure, which includes health and safety standards, learning environments, a planned curriculum, and highly qualified teachers.
- By 2020, the state will provide funding to support 50% participation of all Hoosier 4-year-olds, making Indiana the nation's 8th highest state for 4-year-old participation.
- The Department estimates the cost of the Hoosier Community Pre-K Grant to be \$144,617,163 in the first year and \$173,219,120 in the second year. This represents less than 1% of the state budget over the biennium.
- The Department estimates the initial cost of building early learning infrastructure—a process that would have been well under way had the state received federal funding—to be \$10,500,000 per year.
- By leveraging federal dollars and state reverted appropriations, eliminating wasteful spending, and reallocating existing resources in the state budget, the State of Indiana can responsibly fund high-quality Pre-K without opening any new revenue streams.



Outcomes by 2020

1. All Hoosier four-year-olds will have the opportunity to attend a fully funded high-quality Pre-K program.
2. A robust early learning infrastructure will be available within the geographical boundaries of every school corporation and supported by a state-funded community early learning grant.
3. High-quality Pre-K programs will achieve measureable results to ensure students are ready for kindergarten.
4. Indiana communities will recognize the significance of kindergarten transition for children and families.
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Research demonstrates the impacts of high-quality Pre-K programs on the development of young learners. Research also demonstrates the significant economic impacts of state investments in Pre-K. And while the educational and economic evidence are persuasive, the Department of Education supports early learning expansion because it is the right thing to do. To that end, the Department recommends a side-by-side approach recognized by other state best practices (see Appendix II) that (1) builds a lasting early learning infrastructure and (2) provides a lasting state investment that guarantees quality and access for all Hoosier 4-year-olds.

Through a multi-agency approach, expand and support early learning infrastructure

Indiana should continue its path of multi-agency collaboration with a mixed-delivery system approach to building a strong early learning infrastructure. Infrastructure health and safety, early learning environments, a planned curriculum, and highly qualified teachers. In 2013, multiple agencies spent hundreds of hours developing a 239-page application for the U.S. Department of Education's [Race to the Top Early Learning Challenge Grant](#). Although Indiana did not receive this grant, the proposals outlined by these agencies, and subsequently supported by the Early Learning Advisory Committee (ELAC), should be implemented and supported by the General Assembly.

1. Family and Social Services Administration | Initially, \$5 million per fiscal year

- The Early Learning Advisory Committee (ELAC) will continue its important early learning responsibilities.
- Lead the Paths to QUALITY™ revision process.
- Lead Paths to QUALITY™ expansion projects and technical support to licensed child care centers and homes, unlicensed registered ministries, and public Pre-Ks.
- Lead a consumer awareness and family engagement campaign project for Paths to QUALITY™.
- Support the Workforce Core Knowledge and Competency framework.



- Expand T.E.A.C.H. Early Childhood Indiana scholarship program.
- Expand CCIS database to include tracking professional development and licensing of programs.
- Participate in the statewide longitudinal data system.

2. Department of Health | Initially, \$3 million per fiscal year

- Select, oversee, and manage contracts to provide evidence-based home visiting through Nurse Partnership and Health Families Indiana.
- Develop early childhood mental health framework to equip education professionals to support social and emotional competence of our children.
- Increase health and behavioral screenings and identification of disorders of young children for timely intervention of appropriate services.

3. Department of Education | Initially, \$2.5 million per fiscal year

- Hire regional Early Learning Outreach Specialists.
- Support implementation of Early Learning Foundations (2015).
- Inform Paths to QUALITY™ revision process and identify barriers.
 - Align Paths to QUALITY™ with the NIEER quality standards checklist to ensure all Level 3 and 4 providers require lead teachers have a bachelor's degree with specialized training in early childhood education and recognize paraprofessional credentials to count toward the 50% staff requirement.
- Enhance the ISTAR-KR diagnostic tool to provide a more holistic picture of kindergarten readiness and student growth.
- Produce a transition toolkit to assist communities with effective practices for children and families.
- Provide technical assistance to administrators around effective early learning programming and practices including a Pre-K program guidebook, webinar series, and communities of practice
- Identify and triage the areas of the state with no early learning opportunities.
- Develop online resource and portal to assist all early learning programs in curriculum development.
- Continue participation in the statewide longitudinal data system.



- The Department will work closely with the Commission for Higher Education to enroll more students in early childhood education programs.
- The Department will continue to work closely with the Center on Enhancing Early Learning Outcomes (CEELO) to evaluate the true cost of a high-quality seat to ensure the Hoosier Community Pre-K grant is sustainable and sufficient.
- The Department will administer the Hoosier Community Pre-K Grant.

State investment via Community Pre-K Coalitions

In addition, the Department recommends a statewide scale-up to offer universal access to high-quality Pre-K programs for all four-year-olds by establishing strong public-private partnerships through the support of Community Pre-K Coalitions. These Coalitions will be established within the geographic boundaries of all traditional public school districts and all high-quality Pre-K providers may participate. Public schools have a strong voice to “accelerate improvement and innovation” of quality in early learning programs located within their communities.¹⁰ The formation of the Community Pre-K Coalitions—comprised of the high-quality providers located within the geographical boundaries of a school corporation, including the school corporation itself—will accelerate the creation and support of high-quality early learning programs. School corporations are already familiar with this approach. ESEA Title I programs require public schools to work with non-public schools within the boundaries of the school corporation to provide federal grant funds. Similarly, school corporations support public-private partnerships through 21st Century Community Learning Centers.

1. Establish Community Pre-K Coalitions

- Purpose
 - To work together with all public and private Paths to QUALITY Level 3 & 4 providers and fully engage with the mixed-delivery system—from licensed child care centers and unlicensed registered ministries to traditional public schools and Head Start programs.
 - The coalitions will apply to the state—through the Department of Education—for the Hoosier Community Pre-K Grant.
 - The coalitions will facilitate the distribution of high-quality seats to providers participating in the coalition.

¹⁰ Council of Chief State School Officers. “Equity Starts Early: How Chiefs will Build High-Quality Early Education.” March 2016.



- The coalitions will work closely together with existing Early Learning Coalitions and ensure that private business, non-profit, and philanthropic organizations have a seat at the table.
- The coalitions are rooted in the idea that local Pre-K providers know the needs of their communities. The Department of Education will continue to honor local control.
- Structure
 - These coalitions will be defined by the geographical boundaries of each school corporation.
 - In total, there will be 289 Community Pre-K Coalitions, to mirror the number of school corporations across the state.
 - Every Paths to QUALITY™ Level 3 & 4 provider is invited to participate.
 - Each coalition will be chaired by the Department's designated regional Early Learning Outreach Specialist.

2. Capital Projects

- Give school corporations access to the Common School Fund to build Pre-K physical infrastructure.
 - Reduce interest rates from 4% to 1% to accommodate these projects.
 - The fund currently has \$150 million of unobligated reserve and could withstand the impact of increased advances from the fund.
 - As an example, Brownsburg Community Schools applied for a loan to build extra space for Pre-K and due statutory prohibitions, the application was rejected.
- Encourage public-private partnerships between high-quality non-public providers and public schools to build physical infrastructure.
- Encourage high-quality non-public providers to coordinate with philanthropic organizations and other businesses to build physical infrastructure.
- Ensure the allowable expenses for the Hoosier Community Pre-K Grant includes capital projects.



3. Data Collection

- To address knowledge gaps regarding the quality, current participation, and capacity of providers, require data collection from all programs rated on the Paths to QUALITY™ system.
- Streamline the data collection to be aligned with Department of Education data collections – including the creation of STNs for all students and SPNs for all teachers.

4. Establish the Hoosier Community Pre-K Grant

- Programmatic Components
 - Available to serve 4-year-olds only.
 - Available for providers that meet Paths to QUALITY™ Levels 3 or 4.
 - This assumes the Paths to QUALITY™ revision adopts the recommendation that Level 3 and 4 providers require lead teachers to have bachelor’s degrees with specialized training in early childhood education.
 - Parity between Pre-K teachers and their K-12 colleagues should be an important consideration.
 - Available to providers that offer full-day Pre-K programming for at least 180 days per school year.
- Funding Components
 - Cost of a high-quality Pre-K seat
 - The Center on Enhancing Early Learning Outcomes (CEELO) – a Comprehensive Center funded by the U.S. Department of Education has created a tool to estimate the cost of a high-quality Pre-K seat in Indiana.
 - The estimated range is detailed in the table below:

Figure 5: CEELO Cost Estimates per High-quality Seat		
	Urban Full Day Pre-K	Rural Full Day Pre-K
Administrative Cost	\$640	\$640
Provider Cost	\$8,368	\$7,983
Total Cost	\$9,007	\$8,623



- Grant Amount
 - Indiana’s rate of 4-year-olds participating in state funded Pre-K programs is under 4%. The table below indicates the initial appropriation at 25% participation and increasing until 50% by 2020.
 - The state will provide a base up to \$6,800 per 4-year-old seat.
 - The \$6,800 figure aligns with current maximum reimbursement rates for On My Way Pre-K.
 - For small school district communities, the formula guarantees funding for at least one class of 12 4-year-olds.

Figure 6: Funding Goals by 2020				
Year	Percent Participation	Total 4-Year-Olds	Amount per Seat	Total Amount
'17-'18	25%	21,267	\$6,800	\$144,617,163
'18-'19	30%	25,473	\$6,800	\$173,219,120
'19-'20	40%	33,924	\$6,800	\$230,682,407
'20-'21	50%	42,388	\$6,800	\$288,239,985

- Application
 - Community Pre-K Coalitions will apply to the state—through the Department of Education—for the Grant.
 - In the application, the Community Pre-K Coalition will detail how the monies will be allocated among the participating providers to fund high-quality seats.
- Fiscal Agent
 - The school corporation will be the fiscal agent and distribute the grant to all eligible providers.
- Rulemaking
 - The Department of Education, in conjunction with the Office of Early Childhood and Out-of-School Learning at FSSA, will develop administrative rules to ensure fair distribution of grant funds to providers in the Coalition and develop rules to govern the allowable expenditures from the grant.

- Functions of the Grant
 - Grant amounts may vary from provider to provider depending on need.
 - “Need” will be determined by the rules promulgated under the previous provision.
 - Allowable functions will include capital projects.
 - Allowable functions will include expansion planning to build capacity for new high-quality seats.
- Supplemental Requirements
 - All state funding will be the base – it will not supplant any current allocated funding.
 - Coalitions must demonstrate to the Department that they are maximizing the use of all available financial resources including public-private partnerships, philanthropic resources, Title I funds, CCDF vouchers, Headstart coordination, and IDEA Sec. 619 preschool funds.
- Monitoring
 - In coordination with FSSA, the Department will work to monitor the compliance of recipients of the Grant.



Options to Fund Hoosier Community Pre-K

The Department of Education firmly believes the State of Indiana currently has the revenue to make high-quality early learning expansion happen. Through a combination of existing resources, redirecting reverted allocations from the budget, responsible budgeting, reprioritizing current budget appropriations, leveraging federal dollars, and providing savings for Hoosier taxpayers, the funds are there if the political will exists. To date, the Department has identified more than **\$200 million of annually available state resources** to support Pre-K expansion for all Hoosier 4-year-olds.

- **Existing Resources (\$46,809,500 per fiscal year)**
 - On My Way Pre-K: **\$10,000,000** per fiscal year.
 - Early Education Matching Grants: **\$2,000,000** per fiscal year.
 - Special Education Preschool: **\$34,809,500** per fiscal year as part of the tuition support formula, funded at \$2,750 per eligible student.
- **Redirecting Reverted Allocations from the Budget (\$53,261,651 per fiscal year)**
 - To date, the Department has identified over \$53 million child-related reversions.
 - A reversion represents the return of the unused portion of an appropriation to the fund from which it was appropriated. An appropriation represents a state agency's authority to spend a specific amount for a specific purpose or program. Reversions may occur because of formulaic or other statutory limitations, as well as restrictions imposed by the State Budget Agency.
 - The Department proposes the creation of a dedicated account for which all child-related reversions would be deposited. The account would be used to fund the proposals outlined in this brief.
 - For more information and detail on reversions, please refer to FY15 Close-Out Statements. (http://www.in.gov/sba/files/FY_2015_Reversion_Reports-All_Detail.pdf)
- **Responsible Budgeting**
 - At the beginning of each fiscal year, the Indiana State Budget Agency issues budget instructions for all executive agencies. At the beginning of FY17, the Budget Agency required these agencies to set a targeted reserve of 3%.
 - The Department believes the Budget Agency should reexamine this practice. Every other year, a democratically elected General Assembly passes a budget that itemizes appropriation amounts. The executive branch should not dictate to the legislative branch what percent of that appropriation is spent.



- **Reprioritizing Current Budget Appropriations (\$70,609,108 per fiscal year)**
 - The Department believes that current line-item appropriations within the Department’s budget could be better utilized to provide funding for high-quality Pre-K. It does not assume the end of the identified programs, but rather an acknowledgment that these programs could be run more efficiently to benefit Hoosier students. These items include:
 - I-READ-3 Test: **\$2,878,278**
 - ISTEP+ Test: **\$23,421,722**
 - Extra Cost of the Choice Scholarship Program¹¹: **\$40,070,014**
 - Marion County Desegregation Court Order: **\$4,239,094** in FY17 after which the court order expires, thus opening this revenue source.
- **Leveraging Federal Dollars**
 - The Department will apply for grant opportunities available under ESEA, as re-authorized by ESSA.
 - In 2014, the Department worked diligently to apply for the U.S. Department of Education’s Preschool Development Grant. Only two states—Indiana and Arizona—had been identified as eligible to receive **\$20 million** per year for 4 years. Arizona applied and received grant funds. Indiana, however, did not submit the application.
 - In 2013, the Department worked diligently to apply for the U.S. Department of Education’s Race to the Top Early Learning Challenge Grant. Indiana did not receive the grant because the state’s early learning infrastructure could not support implementation of the grant. The Preschool Development Grant—described above—was created for states like Indiana to build early learning infrastructure. Since 2011, each of Indiana’s neighbors—Kentucky, Ohio, Michigan, and Illinois—have received the Race to the Top grant. Over 4 years, the projected total for Indiana would have been \$42,282,066 or **\$11,570,517** per year.¹²
- **Savings for Hoosier Taxpayers**
 - Kindergarten remediation cost: **\$31,824,272**
 - Conservative estimates indicate the return on investment for high-quality Pre-K is \$7 for every \$1 invested. This ROI alone is enough to pay for Pre-K.¹³

¹¹ Indiana Department of Education. “Choice Scholarship Program Annual Report.” April 2016.

¹² <http://www2.ed.gov/programs/racetothetop-earlylearningchallenge/2013-early-learning-challenge-flyer.pdf>

¹³ The National Institute for Early Education Research. “Fast Fact Summary.”

<http://www.nieer.org/sites/nieer/files/Getting%20the%20Facts%20Right%20on%20Pre-K%20Fast%20Facts%20Summary.pdf>



- Considerations for calculating an accurate ROI include:
 - Short Term Economic Impact
 - Hoosier employers have difficulty attracting and retaining a highly qualified workforce without the existence of affordable high-quality early learning programs for prospective employees with young children.
 - Affordable, high-quality early learning opportunities for all Hoosier families will drive economic development to ensure a highly skilled Hoosier workforce has opportunities to send their children to high-quality Pre-K programs.
 - Medium Term Economic Impact, within 12 years of schooling: **\$55,102,797**
 - The most conservative estimates indicate the cost savings to the state from reduction in special education, grade repetition, and abuse/neglect are \$2,591 per child.¹⁴
 - Long Term Economic Impact, with 40 years of continued investment: **\$954,473,276**
 - The most conservative estimates include lowered criminal incidence, police and court costs, correctional costs, criminal social costs, and use of the welfare system. It also includes increases in wealth accumulation, the value of leisure, the value of marital and parental outcomes, the value of tax payments made from increased earnings, the value of social life, the value of improved health and longevity, and any intergenerational effects of the program.¹⁵

¹⁴ Belfield, Clive R. Early Childhood Education: How Important Are the Cost Savings to the School System? New York: Columbia University, Teachers College, 2004. <http://nieer.org/resources/files/BelfieldReport.pdf>

¹⁵ Uses multiplier of 6.6 as indicated by the most conservative estimates in: Heckman, James J., Soeng H. Moon, Rodrigo Pinto, Peter A. Savelyev, and Adam Yavitz. The Rate of Return to the HighScope Perry Preschool Program. NBER Working Paper, 2010. http://www.nber.org/papers/w15471.pdf?new_window=1



Appendix I

PRE-K RESOURCES PER CHILD ENROLLED BY STATE				
(As Reported by The National Institute for Early Education, May 2016, Using 2014-2015 Available Data)				
STATE	Number of 4-Year-Olds	Percent of 4-Year-Olds Enrolled	State \$ per child enrolled in Pre-K	Total state spending in 2014-2015
District of Columbia	8,566	86.30%	\$16,431	\$207,226,639
Vermont*	6,140	83.90%	\$6,589	\$44,995,493
Florida	214,848	76.50%	\$2,304	\$383,703,444
Oklahoma	52,741	74.80%	\$3,709	\$148,690,138
West Virginia**	20,354	68.00%	\$6,427	\$98,051,203
Wisconsin	67,939	63.70%	\$3,802	\$185,264,100
Iowa	38,528	61.10%	\$2,987	\$77,506,937
Georgia	131,265	58.80%	\$3,880	\$312,053,998
New York	236,955	48.70%	\$6,617	\$741,851,094
Texas	388,180	47.80%	\$3,584	\$786,601,324
South Carolina	57,023	46.90%	\$1,981	\$60,252,483
Arkansas	37,970	38.50%	\$4,372	\$111,000,000
Maine	12,503	36.20%	\$2,732	\$13,877,541
Maryland	72,912	36.00%	\$3,572	\$108,517,116
Michigan	112,973	32.00%	\$6,447	\$239,275,000
Louisiana	61,376	31.90%	\$4,570	\$90,184,905
Nebraska	25,965	30.50%	\$2,759	\$33,313,438
New Mexico	27,112	30.00%	\$4,722	\$39,654,300
New Jersey	107,258	28.60%	\$12,149	\$619,992,300
Illinois	157,143	27.00%	\$3,161	\$237,573,973
Kentucky	54,727	25.80%	\$3,835	\$71,767,687
Colorado	66,413	23.30%	\$2,001	\$54,069,211
Connecticut	38,125	23.10%	\$8,106	\$119,151,878
North Carolina	119,328	21.50%	\$4,601	\$123,543,465
Kansas	40,075	20.00%	\$2,262	\$18,397,372
Tennessee	79,902	19.30%	\$5,219	\$84,941,414
Virginia	101,581	17.90%	\$3,742	\$68,300,254
California	504,433	17.50%	\$4,694	\$622,930,873
Pennsylvania	143,217	12.00%	\$5,630	\$146,590,191
Alabama	58,193	12.00%	\$5,333	\$38,624,146
Oregon	45,261	10.00%	\$8,648	\$66,263,178
Washington	88,975	8.00%	\$7,599	\$76,676,973
Delaware	11,227	7.50%	\$7,100	\$5,985,300
Massachusetts	72,850	7.20%	\$3,626	\$48,580,099
Arizona	86,163	5.50%	\$3,413	\$35,829,787



Ohio	136,811	4.80%	\$4,000	\$44,360,000
Mississippi	38,324	4.10%	\$1,778	\$3,128,426
Missouri	73,976	3.90%	\$3,211	\$13,677,763
Alaska	10,609	3.10%	\$6,270	\$2,000,000
Nevada	35,205	3.00%	\$2,388	\$3,338,875
Rhode Island	10,974	2.80%	\$9,641	\$2,950,000
Hawaii	18,170	2.10%	\$7,671	\$2,800,000
Minnesota	69,852	1.00%	\$7,824	\$10,804,944
Idaho	22,229	No program	No program	No program
Indiana ^{***}	83,120	No program	No program	No program
Montana	11,874	No program	No program	No program
New Hampshire	13,003	No program	No program	No program
North Dakota	10,057	No program	No program	No program
South Dakota	12,115	No program	No program	No program
Utah	50,029	No program	No program	No program
Wyoming	7,594	No program	No program	No program
United States	3,952,161	29.00%	\$4,489	\$6,204,297,261
For details about how these figures were calculated, see the Methodology section and Roadmap to the State Profile Pages.				
*Vermont could not break out the state, local, and federal spending from the total amount reported. Vermont also provided updated spending information for the 2013-2014 school year, which is reflected in the calculations of change in spending.				
**1366 3-year-old children were served in WV's Universal Pre-K program but were funded by sources not reported by the state. They were removed from the per-child spending calculations. A similar adjustment was made for 2013-2014.				
***Indiana funded a pilot state Pre-K program during the 2014-2015 year. It spent about \$1.1 million to enroll 415 4-year-olds. It is not included in the rankings because the program served less than 1% of 4-year-olds.				



Appendix II

Best Practices in Other States

- New Jersey¹⁶ (NIEER)
 - High-quality programs in 31 High poverty districts.
 - High standards for learning, teaching, curriculum.
 - Fully qualified teachers (BA and ECE certification).
 - Maximum of 15 children per classroom.
 - 6-hour educational day, 180-days per year.
 - Continuous improvement system and coaching.
 - Part of systemic reform P-3.
 - About 50,000 3 and 4 year olds in 31 school systems.
 - Public-private system with 60% private providers.
 - A 5 to 10 year process (5 years to the BA requirement).

- Louisiana
 - “Community Organizing Board” – coalition led by School Corporation.
 - All program types are required to participate in coalition.
 - Legislation required early learning system unification.

- New Hampshire
 - New Hampshire conducts outreach to superintendents, principals, and school districts to promote use of Title I funds to support voluntary Pre-K programming. Outreach is conducted through an annual Early Childhood Summit, an annual Early Childhood Leadership strand at the New Hampshire Educators Summer Summit, and through technical assistance. Between 2013 and 2015, the state was successful in increasing Title I funding for voluntary Pre-K by 300 percent, to serve 20 percent of all four-year-olds in the state.¹⁷

¹⁶ Barnett, Steve. “What should policy makers know about effective preschool programs?” NIEER.

¹⁷ Council of Chief State School Officers. “Equity Starts Early.” April 2016.



- Washington, D.C.
 - The District of Columbia’s new universal Pre-K legislation includes a focus on improving the early childhood workforce. All D.C. Public School early childhood teachers are required to hold a bachelor’s degree and to have experience working with young children. Pre-K and kindergarten teachers are included in the district’s teacher evaluation system, known as IMPACT, and receive five observations each year based on a rubric that reflects early childhood best practices. Early childhood teachers are also part of the district’s pay scale, which has some of the highest starting salaries in the area and includes bonuses and pay increases. Finally, the early childhood program provides an intensive coaching model to help teachers improve their practice, develop individual professional development plans, and set goals for students. Coaches also work with school leaders to improve their knowledge of child development and high-quality early learning environments.¹⁸

¹⁸ Council of Chief State School Officers. “Equity Starts Early.” April 2016.

