



ACNJ Policy Brief

Association for Children of New Jersey

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ARRA and New Jersey's Preschool Expansion Initiative: “Not Perfect Together”

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INTRODUCTION

The American Recovery and Reinvestment Act of 2009 (ARRA), the federal stimulus package, will over the next two years provide all states with federal funding to support early learning opportunities for 3- and 4-year-olds. This investment clearly reflects Washington's acknowledgement of the link between high-quality early education and the nation's economic future. Surpassing any other federal initiative since Head Start in 1964, ARRA will provide states with approximately \$5 billion for early learning.

The federal aim is to help states enhance or expand early learning programs. For New Jersey, which plans to expand its nationally recognized Abbott preschool program to all low-income children in the state, the funding could be crucially important. But New Jersey may come up short. Although the state is slated to receive millions of dollars in ARRA funds that could potentially be used for early childhood education, certain restrictions on how the funds can be distributed and used make it difficult for New Jersey to utilize the money for preschool expansion.

This policy brief examines how ARRA's funding mechanisms are a barrier for providing New Jersey's low-income preschoolers with expanded access to the state's high-quality Abbott preschool program.

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HIGH-QUALITY PRESCHOOL: NEW JERSEY'S ABBOTT STORY

In 1998, the New Jersey Supreme Court in one of its *Abbott v. Burke* decisions mandated that the state implement and pay for high-quality preschool in New Jersey's poorest school districts. In a 2000 decision, the court defined the standards for such a quality program.

Preschool children in the so-called Abbott districts have for 10 years greatly benefited from these court decisions. Studies in 2007 and 2009 from the National Institute for Early Education Research (NIEER) found that children in the Abbott preschool program were showing substantial progress in language, literacy and math and the number of children who had to repeat grades was cut in half. The winning equation of high standards and adequate funding has led to more than 40,000 low-income preschoolers each year getting the skills necessary for educational success. This has made the Abbott program a national model.

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RAMPING UP WHAT WORKS: NEW JERSEY'S PRESCHOOL EXPANSION INITIATIVE

While successful, the Abbott preschool program is available only to 3- and 4- year olds in 31 designated districts. The population of children in these districts now represents 51% of all New Jersey children

eligible for free- and reduced-lunch. That means about half, 49%, of the state's low-income children have no access to the program.

The state addressed this problem in early 2008 with a new school funding formula that includes expansion of the Abbott preschool program to all of the state's low-income 3- and 4-year-olds, regardless of where they live. The preschool expansion initiative, when fully implemented, will enroll an additional 30,000 preschoolers in programs that follow Abbott standards, namely with small class size, certified teachers, teacher assistants and research-based, state-approved curriculums. Following approval of preschool expansion, New Jersey's local school officials spent the 2008-2009 school year drawing up plans for the preschool programs in their districts. Expansion is scheduled to be fully in place by the 2013-2014 school year.

THE IMPACT OF THE ECONOMIC DOWNTURN ON PRESCHOOL EXPANSION

By late 2008 it became apparent that the poor economy was causing a sharp reduction in New Jersey's state tax revenues. This raised questions about how the state could, as it had planned, begin funding preschool expansion in the 2009-2010 school year. New Jersey, like other states, looked toward Washington, D.C., and ARRA for help.

The education funding in ARRA is intended to stimulate the economy by saving or creating education jobs while also spurring meaningful education reform. ARRA education dollars are being distributed to the states in two ways: through existing federal funding streams such as Title I, Head Start and IDEA or through the State Fiscal Stabilization Fund's two block grants for helping states restore budget cuts made in response to the recession. States are required to use stabilization fund money into FY 2011 to fill holes in their current budgets and to meet previously authorized funding increases. The stabilization fund dollars are, however, focused primarily on K-12 education, which limits New Jersey's ability to use this particular funding source for preschool expansion. ARRA Title I funds can be used for

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preschool expansion. But the federal government appropriates Title I funds to local school districts, rather than to states. The school districts determine how to use their Title I funds, and most in New Jersey have typically spent all of these funds on K-12 education.

TITLE I AND THE DILEMMA OF "HIGHER QUALITY"

Since the passage of ARRA, New Jersey has encouraged its school districts to use their Title I ARRA funds for preschool expansion, and some districts are moving ahead with expansion. Many of them plan to use Title I dollars to pay for it. A few other districts plan to use either local tax revenues or parent-paid tuition to supplement funding for their programs. This raises a concern: *What types of program standards will be followed in districts moving ahead on expansion?*

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Districts relying on local funds or parent tuition for expansion will not be required to meet either Abbott or Head Start standards and program quality may vary significantly.

This is important because the state's Abbott program has among the highest standards of any publicly supported program in the nation and research shows the program's effectiveness. Head Start is a nationally recognized program, and in New Jersey many Head Start centers contract with the state to run Abbott preschool programs and follow Abbott standards. But Head Start programs that do not receive state Abbott funding have different standards: Maximum class size is 15 for Abbott and between 13 and 20 for Head Start, depending on the age of children in the class. In addition, Abbott teachers are required to have bachelor's degrees and to have specialized training in early childhood education before they start teaching. In Head Start, fifty percent of teachers will be required to have a

bachelor's degree in early childhood education by September 2013.

ARRA does not require that school districts in states like New Jersey, which have higher preschool standards than Head Start, follow those standards instead.

THE MISSED OPPORTUNITY OF NEW JERSEY'S PRESCHOOL EXPANSION INITIATIVE

The signing of ARRA into law just 27 days after the inauguration of President Obama was a reason for optimism among advocates of high-quality early education. The hope was that by getting the federal dollars into the states as quickly as possible, ARRA's historic infusion of funding for early education would help to increase the number of children benefiting from high-quality preschool around the country.

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highly successful Abbott preschool program. The state stabilization funding did not help, as it limits states' ability to use the funding for preschool. Similarly, the distribution of Title I funding directly to school districts allows for the "side-stepping" of the state's higher, Abbott program standards.

New Jersey's plan is to expand the Abbott preschool program over the next several years to approximately 30,000 more children across the state. But the limitations on ARRA funding have hamstrung state efforts to use federal money to move forward with preschool expansion at the highest level of quality. Now, preschool expansion will occur in far fewer districts than planned and quality may vary greatly. For thousands of low-income 3- and 4-year-olds across the state who could benefit from high-quality preschool, this is a missed opportunity.

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This policy brief was funded through a grant from Voices for America's Children. For additional information, contact Cynthia Rice at crice@acnj.org or (973) 643-3876.