



**School Readiness:
What We Need to Do To Get Kids “Ready By Five”
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What is the School Readiness Initiative?

The School Readiness initiative was created in 1997 as part of a comprehensive effort to close the achievement gap in Connecticut schools. The initiative, administered by the State Department of Education (SDE) in partnership with the CT Department of Social Services, helps low-income families afford quality preschool. School readiness funds go to priority school districts (the most economically and educationally needy districts in the state) and districts with “priority schools” (schools that draw students from low-income areas of non-priority districts). Priority school districts receive a grant allocation for spaces for eligible students based on a formula. Districts with priority schools (also known as “competitive school districts”) must apply for grants through the competitive grant program, and each of these districts may receive no more than \$107,000 in grant aid, regardless of how many eligible children live in the district. Funds may be given to school readiness programs whether administered by public schools, child care centers, or Head Start. The programs must be accredited by the National Association for the Education of Young Children, approved by Head Start, or meet the criteria established by the SDE Commissioner. School readiness programs charge fees to parents; the sliding fee scale is based on family income.¹ The School Readiness initiative currently serves about 9,700 low-income three and four year olds.²

The School Readiness Initiative Allows Children to Enter Kindergarten Ready to Learn

Two years of preschool make a huge difference. Data suggest that among children without preschool experience: 25% enter kindergarten with insufficiently developed language and literacy skills; 30% are not ready on math skills; 45% have insufficiently developed social-emotional skills; and 59% do not have the fine motor skills expected of them. But, according to a 2004 evaluation conducted by the Connecticut Commission on Children, two years of preschool render children twice as likely as their peers without preschool to have kindergarten-ready language, literacy, and math skills, and one and a half times as likely to have kindergarten-ready social-emotional skills.³ School Readiness funding enables low-income parents, who would not otherwise be able to afford high-quality preschool, to ensure that their children enter kindergarten as well prepared as their more privileged classmates.

12,000 Children in Connecticut Still Cannot Afford Preschool

Connecticut *has* made real strides in expanding access to preschool to those who cannot afford it. The School Readiness initiative currently serves 58% more children than it did in 2002 (6,174 children in 2002⁴ compared to 9,769 in 2008⁵). In FY 07, the General Assembly appropriated approximately \$8 million more to School Readiness programs in priority school districts than it did in FY 06,⁶ and in FY 08 it appropriated approximately \$5 million more to School Readiness programs in priority school districts than it did in FY 07.⁷ Despite these increases, however, the school readiness program lacks the capacity to serve about 12,000 other eligible children; it is meeting less than half the total need for high quality, affordable preschool.⁸

The Early Childhood Research and Policy Council's *Early Childhood Investment Plan (Part I)* recommended a five year expansion, beginning in FY 08, that would meet this need. Over FY 08 and FY 09 the *Plan* envisioned an expansion of 2,045 slots in each year, with the balance of slots to be added over FY 10, FY 11, and FY 12. However, the increased funding in FY 08 allowed for only an additional 1,000 slots⁹ – meaning that we are already behind schedule.

Year	School Readiness Spending (Millions) ¹⁰	# of Children Enrolled in School Readiness	School Readiness Rate/child (full/day, full/year)
1998	17.2	2,263 ¹¹	\$7,000 ¹²
2000	38.0	6,500 ¹³	\$7,000 ¹⁴
2002	39.4	6,174 ¹⁵	\$7,000
2004	40.6	N/A	\$7,250 ¹⁶
2005	49.6	7,324 ¹⁷	\$7,500 ¹⁸
2006	52.9	7,392 ¹⁹	\$7,750 ²⁰
2007	59.6	N/A	\$8,025 ²¹
2008	66.3	9,769 ²²	\$8,025 ²³

We Need More Slots – But Programs Will Only Expand if Rates are Raised

It is a mistake to view the decision to increase reimbursement rates to providers as a tradeoff to increasing the number of slots available to low-income children. It is an easy mistake to make because, mathematically, it makes sense. There is a fixed amount of money. Raise rates, fewer slots. Keep rates the same, more slots. But this mathematical calculation fails to take account of a very important reality. Programs that are eligible to receive school readiness funding are already at or almost at capacity. Although keeping rates the same results in a greater number of *theoretical* slots, a theoretical slot is worthless to a child seeking an actual slot in an actual program. School readiness programs must be willing and able to increase their capacity for there to be an *actual* increase in slots.

But, according to a January 2008 report issued by the Office of the Early Childhood Education Cabinet and the State Department of Education, providers have made clear that they are *unable to expand* without *an increase* in reimbursement rates.²⁴ The reimbursement rate has increased only 15% since the School Readiness Initiative began, in 1997, compared to an increase in the CPI of 32%. That is, the reimbursement rate is now *\$916 less per slot* in inflation-adjusted dollars than it was in 1997. Programs are struggling. Programs need to raise salaries to attract and retain high-qualified staff but cannot afford to do so. One program in Meriden did raise salaries between 2006-2007 and 2007-2008 but to do so significantly cut employee benefits. Another program, also in Meriden, also raised salaries but cut staff hours. Even so, salaries in these programs remain low, averaging \$12.50 per hour. Meanwhile, the cost of rent, utilities, and maintenance are sky-rocketing. One program in Meriden spent 46% more on rent, utilities, and maintenance in 2007-2008 than it had the year before; another spent 72% more on these expenses.²⁵

Connecticut Must Keep Its Promise

The FY 09 budget approved last Session appropriated an additional \$15 million to School Readiness over the FY 08 budget. The Early Childhood Cabinet calculated that, if rates were increased from \$8,025 to \$8,514, this additional funding would allow for the creation of approximately 2,000 actual (not theoretical) preschool slots.²⁶ This would have been a step toward fulfilling the promise set out in the *Early Childhood Investment Plan*.

But the Governor's revised FY 09 budget would appropriate only an additional \$13.2 million to School Readiness (i.e., reduce funding by \$1.8 million), and H.B. 5926, An Act Implementing the Governor's Budget Recommendations Regarding Education, does not mandate any rate increase at all. (It allows an increase, but only to \$8,266, a 3% cost-of-living increase that should have been awarded for the current fiscal year. The Preschool

Expansion report issued by the Early Childhood Education Cabinet suggests that this rate increase is insufficient to incentivize the needed expansion.²⁷⁾ The budget approved by the Appropriations Committee would reduce FY 09 funding for School Readiness programs in Priority School Districts by \$1.8 million, but provide an additional \$900,000 for School Readiness initiatives in competitive school districts. No rate increase is proposed.

If Connecticut does not keep its promise of funding for School Readiness, there will be repercussions not just in the number of slots available this year but in the years to come. Providers have expressed strong concerns that there is no guarantee of funds for slot expansion, and have identified the absence of such a guarantee as a major barrier to their own willingness to grow.²⁸⁾ A cut in funding currently approved for FY 09 will only substantiate these concerns and will further dissuade expansion. Particularly combined with a failure to raise rates, Connecticut will be facing a real capacity challenge.

To serve all eligible children, Connecticut *must* build capacity, and building capacity requires a sustained commitment to funding that keeps pace with the rising costs of providing high-quality care. In other words, even if, next year, the legislature gave enough money to fund all remaining slots at reasonable rates *providers aren't going to expand unless they believe that money will be there in future years, with additional money to fund cost-of-living rate increases.*

All Children Can Be Ready By Five

- We should mandate an increase in reimbursement rates to \$8,514, with mandatory and annual cost-of-living increases benchmarked to inflation.
- We should remove the cap on funds received by Competitive School Districts so that all poor children, regardless of where they live, can access high-quality pre-school programs.
- We should maintain School Readiness funding at least at the level approved last Session for FY 09.

¹ For more detail, see Connecticut State Department of Education, *School Readiness*, available at <http://www.sde.ct.gov/sde/lib/sde/PDF/DEPS/Readiness/sroverview.pdf>.

² Connecticut Early Childhood Education Cabinet & the Bureau of Early Childhood Education, State Department of Education, *Preschool Expansion in SFY 08, Scenarios for Expansion in SFY 09* (January 2008) at 1.

³ Connecticut Early Childhood Education Cabinet, *Ready by 5 & Fine by 9: Connecticut's Early Childhood Investment Framework* (October 2006) at 12 (citing Connecticut Commission on Children, State Department of Education, and the Connecticut Center for School Change, *Opening the Kindergarten Door: The Preschool Difference* (March 2004)).

⁴ Robin Cohen & Judith Lohman, et. al., *Preschool and Child Daycare Programs* (OLR Research Report) (September 2004) at 4.

⁵ *Preschool Expansion in SFY 08* at footnote 3.

⁶ See An Act Implementing the Provisions of the Budget Concerning Education, P.A. 06-135 (H.B. 5847) Sec. 2(b)(2) (July 2006), available at <http://www.cga.ct.gov/2006/ACT/PA/2006PA-00135-R00HB-05847-PA.htm> and An Act Concerning the Implementation of Various Budgetary Provisions, P.A. 05-3 (H.B. 7502) Sec. 100 (July 2005), available at <http://www.cga.ct.gov/2005/ACT/Pa/pdf/2005PA-00003-R00HB-07502SS1-PA.pdf>.

⁷ See An Act Concerning Education Implementer Provisions, P.A. 07-3 (H.B. 8003) Sec. 51 (July 2007), available at <http://www.cga.ct.gov/2007/ACT/PA/2007PA-00003-R00HB-08003SS1-PA.htm>.

⁸ *Preschool Expansion in SFY 08* at 1.

⁹ *ibid.*, at 2.

¹⁰ Numbers from 1998-2007 are provided by the Connecticut State Department of Education, Bureau of Grants Management, and represent funds actually spent (as opposed to appropriated) in those years. Numbers include funds spent on school readiness programs in priority school districts, competitive school districts, and for quality enhancement. The 2008 figure is an estimate of funds that will be spent on priority school districts and competitive school districts in 2008, provided by the Connecticut Early Childhood Education Cabinet & the Bureau of Early Childhood Education, State Department of Education (see "Preschool Expansion in SFY 08" at 2).

¹¹ Connecticut State Department of Education and Department of Social Services, *A School Readiness Report: Operating and Capital Needs Assessment* (October 2000) at 2.

¹² *ibid.*, at 6.

¹³ *ibid.*, at 2.

¹⁴ *ibid.*, at 6.

¹⁵ *Preschool and Child Daycare Programs* at 4.

¹⁶ Peg Oliveira, *Toward Continued Growth of the School Readiness Initiative: Increasing Capacity and Quality* (November 2005) at 1, available at <http://www.ctkidslink.org/publications/ecc05schoolreadiness11.pdf>.

¹⁷ *ibid.*

¹⁸ *ibid.*

¹⁹ Connecticut State Board of Education, *School Readiness Need and Costs to Serve all 3 and 4 Year Old Children in the 19 Priority School Districts* (March 2006) at 1.

²⁰ *Toward Continued Growth of the School Readiness Initiative: Increasing Capacity and Quality* at 1.

²¹ *Preschool Expansion in SFY 08* at 2.

²² *ibid.*

²³ *ibid.*

²⁴ *ibid.*

²⁵ Data provided by Jessica Stewart, Meriden School Readiness Facilitator.

²⁶ *Preschool Expansion in SFY 08* at 3.

²⁷ *ibid.*

²⁸ *ibid.*