

## State Pre-K Funding: 2012-13 School Year

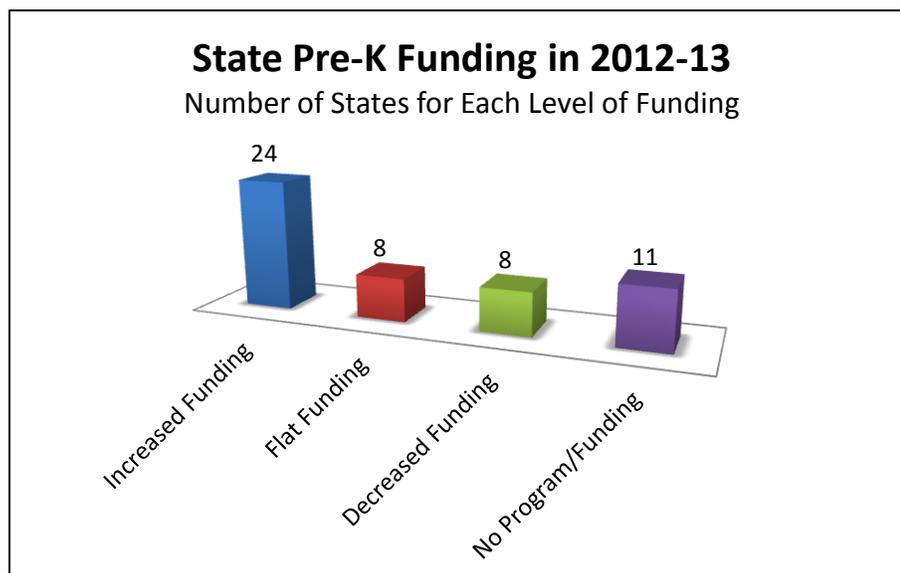
April 2013

Michael Griffith

Policymakers around the country showed their support for pre-kindergarten programs in their 2012-13 state budgets. An analysis conducted by the Education Commission of the States (ECS) found that the majority of state policymakers around the country have spared pre-K funding from the chopping block, and in about half of the states, increased funding—many substantially.

This is impressive when one considers that at least 26 states cut K-12 spending on a per-student basis in the 2012-13 school year.<sup>1</sup> In contrast, ECS found that funding for pre-K programs serving 4-year-olds increased by \$181 million (3.6%) to a total of \$5.3 billion in 2012-13. More than half of this increase—\$104 million—comes from California. Not every state experienced positive funding growth. Of the 40 states that provide funding for pre-K, 23 states plus the District of Columbia increased their funding levels and eight kept levels the same, while eight states made cuts.

Despite an improving economy in the 2012-13 fiscal year, state budgets grew only 2.2% on average—about half the rate of typical budget growth. This means that state policymakers continue to be faced with tough decisions about where to spend their limited revenues. Even in this climate, with ever-increasing awareness of the impact quality early learning has on 3rd-grade reading proficiency, more states are preserving or even boosting their funding for pre-K. This is particularly noteworthy as many states have reduced their overall education budgets, have increasing costs in Medicaid and public pensions, and are dealing with limited growth in their budgets.



**Increased state funding:** Alabama, Alaska, California, Connecticut, District of Columbia, Florida, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Nebraska, New Jersey, New Mexico, New York, North Carolina, Ohio, Rhode Island, Tennessee, Vermont, Virginia, and Wisconsin

**Decreased state funding:** Georgia, Illinois, Missouri, Oklahoma, Oregon, South Carolina, Texas, and West Virginia

**Flat state funding:** Arkansas, Colorado, Delaware, Kentucky, Minnesota, Nevada, Pennsylvania, and Washington

## Some States Experienced Big Funding Gains

The following states increased their funding for 4-year-old pre-K programs by at least 10% or their threshold hit \$19 million plus:

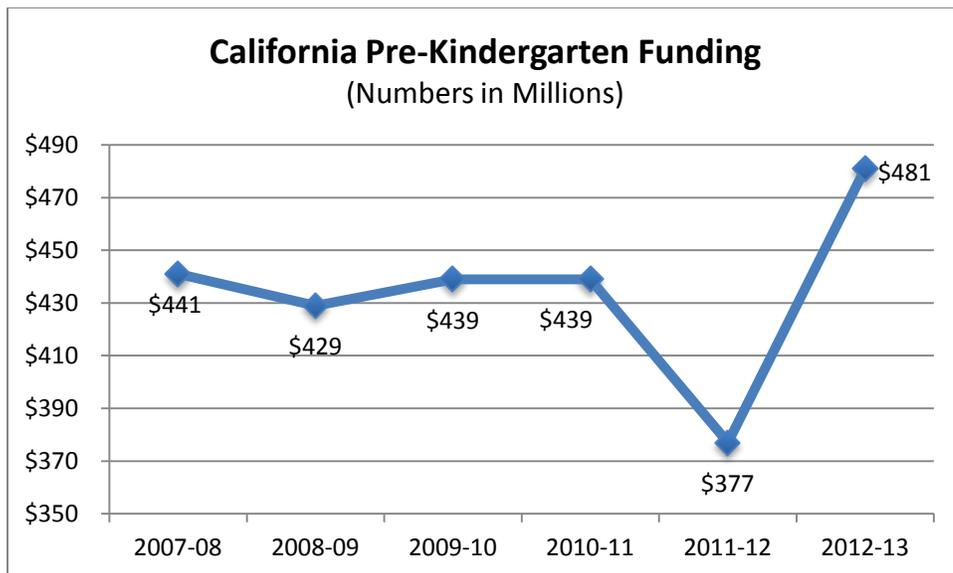
State Totals		
State	Funding Increase	Percentage Increase
Rhode Island	\$1.65 million	206%
New Mexico	\$4.7 million	32.5%
California	\$104 million	27.7%
Alaska	\$2.5 million	26.2%
Kansas	\$7.9 million	23.6%
Iowa	\$9.3 million	16.0%
Wisconsin	\$21.0 million	14.2%
North Carolina	\$17.9 million	13.7%
Florida	\$28.5 million	7.4%
New Jersey	\$19.4 million	3.2%

### Using State K-12 Formulas for Pre-K Funding

As part of a school funding system overhaul, Rhode Island created a new high-quality, 4-year-old pre-K program targeted toward at-risk students that is funded through the state’s K-12 formula—this program is in addition to the state’s funding of Head Start programs. Rhode Island joins 14 other states and the District of Columbia in using the state’s primary K-12 school funding formula to fund its pre-K program. The Rhode Island pre-K program is now funding 4-year-old pre-K students at the same level as students in grades K-12. The program is funded at \$1.45 million this year and will serve 140 full-time students (\$10,069 per student). The goal is to serve 1,100 4-year-olds in full-day programs annually over the next 10 years. A 2010 Pre-K Now study concluded that *“Embedding pre-K within the state’s school funding formula can help protect our youngest students from shifting political and economic climates by providing equitable, sufficient, and sustainable pre-K funding that supports quality, grows with enrollment to meet demand, and has the capability to serve all children.”*<sup>2</sup>

### California Restores Early Learning Funding Cuts

After several years of virtually flat or decreasing funding to the state’s pre-K program (see chart), California provided an additional \$104 million in this year’s budget. California voters approved Proposition 30 in November 2012, which increased state sales and income taxes to generate an estimated \$6 billion in additional state funding. If the proposal had not been approved by the voters, pre-K funding for FY 2012-13 would have been set at \$377 million—which would have been \$62 million (14.1%) below 2010-11 funding levels.



Data for FY 2008 to FY2012 is from Pre-K Now's Votes Count reports.

### North Carolina Adjusts Pre-K Funding Mid-Year

North Carolina's approved budget would have reduced 2012-13 pre-K funding by \$2.1 million. However, then-Governor Beverly Perdue issued an executive order that allowed for \$20 million in unspent state funds to be moved to the state's pre-K program for the remainder of the 2012-13 school year. By moving these funds, the state increased pre-K funding by \$17.9 million and created an estimated 4,965 additional pre-K slots for the young children of North Carolina.

### Why the Support for Pre-K?

Why did the majority of states either increase or maintain pre-K funding while cutting other government programs, including K-12 education? As Governor Robert J. Bentley of Alabama said in his 2013 State of the State address: *"Children and schools must be given every chance to succeed. By allowing greater access to a voluntary Pre-K education, we will change the lives of children in Alabama."* More and more policymakers, Republicans, and Democrats alike have come to view pre-K as a key education and future workforce strategy. Governor Andrew Cuomo of New York voiced this perspective in his 2013 State of the State address: *"The statistics are overwhelming. Children who receive early education perform 25% better on math by the second grade, 20% better on English, 30% are more likely to graduate from high school, 32% are less likely to be arrested as a juvenile. We should provide real pre-K for all our children"*.

### Room for Growth

While overall state investments in pre-K programs grew in 2012-13, 11 states still provide no funding for pre-kindergarten. Some of these states are however, looking at creating state-funded pre-K opportunities. Hawaii passed legislation in 2012 to create a new office of early learning, which will help in the development of a plan for an early childhood education program that offers universal access for the state's 4-year-olds. Governor Steve Bullock of Montana also expressed his desire for Montana to start investing in pre-K during his 2013 State of the State address.

Even those states that currently invest in pre-K programs have room to grow their investment. Colorado's pre-K program now serves 67% of the state's low-income students. A new proposal from state Senator Michael Johnston to re-work the Colorado School Finance Act funding formula would expand the program to all of the state's low-income students.

## Conclusion

In his 2013 State of the Union address, President Obama proposed that the federal government work with states to “make high-quality preschool available to every single child in America.” This proposed federal commitment to pre-K, combined with improvement in state budgets, could result in an expansion in both the number of states that provide funding to pre-K programs, and to the total number of families that could take advantage of these programs in states where funding already exists.

### State Pre-Kindergarten Funding: By Program

	Program Name	FY 2011-12 Funding	FY 2012-13 Funding	Percentage Change	Notes on Funding and Policy Changes
<b>Alabama</b>	First Class Pre-K	\$17,825,502	\$19,087,050	7.1%	Per child funding ranges from \$2,500 to \$5,150 based on school poverty density.
<b>Alaska</b>	Pre-K Pilot Program	\$2,000,000	\$2,800,000	40.0%	This is a competitive grant program.
	Head Start/Early Learning Coordination	\$7,566,300	\$9,273,400	22.6%	
<b>Arizona</b>	No Program				
<b>Arkansas</b>	Arkansas Better Chance	\$103,500,000	\$103,500,000	0.0%	
<b>California</b>	State Pre-School (Prop. 98)	\$376,613,000	\$481,003,000	27.7%	The 2013 budget instituted parent fees for certain students in the part-day preschool program. The Legislature estimated this would collect an additional \$20 million, which would go to serving children. These fees could help to pay for additional slots (some of which were lost with budget cuts). The remaining increase in funding (\$84.4 million) derived from a tax increase approved by the voters in November 2012.
<b>Colorado</b>	Colorado Prekindergarten Program	\$67,073,313	\$67,073,313	0.0%	This program is funded through the state’s primary school funding formula.
<b>Connecticut</b>	School Readiness Program – to Priority School Districts	\$69,813,190	\$69,813,190	0.0%	This program is funded through the state’s primary school funding formula.
	SDE – School Readiness Program – Competitive Grant	\$5,024,906	\$6,421,638	27.8%	
	Head Start	\$6,721,150	\$5,861,150	-12.8%	

	Program Name	FY 2011-12 Funding	FY 2012-13 Funding	Percentage Change	Notes on Funding and Policy Changes
					purposes other than Head Start. Additionally, state funds are used to supplement programming received by all children enrolled in Head Start—this includes over 8,000 kids.
<b>Delaware</b>	Early Childhood Assistance Program	\$5,727,800	\$5,727,800	0.0%	
<b>Florida</b>	Universal Pre-K	\$384,606,382	\$413,100,000	7.4%	
<b>Georgia</b>	Georgia PreK	\$301,150,409	\$298,602,245	-0.8%	
<b>Hawaii</b>	No Program				
<b>Idaho</b>	No Program				
<b>Illinois</b>	Early Childhood Block Grant	\$325,123,535	\$300,192,400	-7.7%	This state program funds pre-K services for children ages 3-5, along with prevention and intervention services for at-risk infants, toddlers, and their families.
<b>Indiana</b>	No Program				
<b>Iowa</b>	Statewide Voluntary Preschool for 4-year-olds	\$52,900,000	\$60,400,000	14.2%	This program is funded through the state's primary school funding formula.
	Shared Vision At-Risk Preschool Program	\$5,428,877	\$7,236,303	33.3%	
<b>Kansas</b>	At-Risk 4-Year-Old Preschool Program	\$18,000,000	\$18,279,000	1.6%	This program is funded through the state's primary school funding formula.
	Pre-K Pilot Program	\$4,799,812	\$4,799,812	0.0%	
	Early Childhood Block Grant	\$10,567,102	\$18,179,284	72.0%	Not all of these funds go to 4-year-old pre-K. These state funds are used for grants to programs that provide research-based child development services for at-risk infants, toddlers, and their families, and pre-K for 3- and 4-year-olds.
<b>Kentucky</b>	Kentucky Preschool Program	\$71,758,800	\$71,761,200	0.0%	
<b>Louisiana</b>	LA4 (includes Starting Points)	\$75,686,339	\$75,971,497	0.4%	
	Nonpublic School Early Childhood Development program	\$7,500,000	\$7,386,932	-1.5%	

	Program Name	FY 2011-12 Funding	FY 2012-13 Funding	Percentage Change	Notes on Funding and Policy Changes
	Student Enhancement Block Grant	\$8,987,900	\$10,393,132	15.6%	
<b>Maine</b>	Public Preschool Program	\$10,585,585	\$10,715,149	1.2%	This program is funded through the state's primary school funding formula.
	Head Start	\$3,803,455	\$3,803,455	0.0%	
<b>Maryland</b>	Maryland Prekindergarten Program	\$112,147,503	\$117,194,141	4.5%	This program is funded through the state's school funding.
	Head Start	\$1,800,000	\$1,800,000	0.0%	In general, these funds are considered "supplemental" funding for programs that currently enroll Head Start students. These funds could be used to extend programs from part-year to full-year; however, they are not associated with an increase in the number of students served.
<b>Massachusetts</b>	State Scholarship Program	\$17,211,633	\$17,211,633	0.0%	Total funding for the state scholarship program for FY 2012-13 is \$87 million. It is used to provide professional development for teachers in grades P-12. A provision was placed in the state budget to ensure that funding for pre-K professional development programs remain at least flat between 2012 and 2013.
	Universal Pre-Kindergarten Program	\$7,500,000	\$7,500,000	0.0%	
	Head Start Supplemental	\$7,500,000	\$8,000,000	6.7%	
	Early Childhood Mental Health	\$750,000	\$750,000	0.0%	
<b>Michigan</b>	Great Start Readiness Program	\$104,275,000	\$109,272,600	4.8%	For FY 2013: Formula grants for \$100,398,600 and competitive grants of \$8,874,000.
<b>Minnesota</b>	School Readiness Program	\$10,095,000	\$10,095,000	0.0%	
	Head Start	\$20,100,000	\$20,100,000	0.0%	
<b>Mississippi</b>	No Program				
<b>Missouri</b>	MO Preschool Project	\$11,757,600	\$8,321,848	-29.2%	
<b>Montana</b>	No Program				

	Program Name	FY 2011-12 Funding	FY 2012-13 Funding	Percentage Change	Notes on Funding and Policy Changes
<b>Nebraska</b>	School Funding Formula	\$12,066,463	\$12,814,584	6.2%	This program is funded through the state's primary school funding formula.
	NE Early Childhood Education Grant Program	\$3,365,962	\$3,365,962	0.0%	The state legislature moved the Grant funds from general dollars to lottery funds for the next two years to relieve some pressure on the state general fund. After the two years, the funding will return to general funds. This was done to avoid any cuts to services for children.
<b>Nevada</b>	Early Childhood Education	\$3,338,875	\$3,338,875	0.0%	Until FY 2010-11 the ECE program was funded within its own line item. Starting in FY 2011-12, ECE funds were transferred to the Student Achievement Block Grant program. Fifteen other programs moved to the block grant include: smaller class size, full-day kindergarten, and education technology. The \$167.2 million for FY 2012-13 can be used toward funding any of these programs.
<b>New Hampshire</b>	No Program				
<b>New Jersey</b>	Preschool Education Aid	\$613,330,000	\$632,772,823	3.2%	
<b>New Mexico</b>	New Mexico Pre-K Program	\$14,514,300	\$19,235,900	32.5%	This includes \$10 million from general fund to Public Ed. Department and \$9,235,900 to Youth & Families Department.
<b>New York</b>	Universal Pre-Kindergarten	\$384,290,826	\$385,000,000	0.2%	This program is funded through the state's primary school funding formula.
<b>North Carolina</b>	North Carolina Pre-K Program	\$130,291,706	\$128,147,360	-1.6%	In 2011 the General Assembly transferred the More at Four Pre-Kindergarten Program to the Division of Child Development and Early Education in the Department of Health and Human Services and renamed it the NC Pre-Kindergarten Program (NC Pre-K).
	Additional Pre-K Funding	\$0	\$20,000,000	100.0%	On October 18, 2012, the Governor issued Executive Order 128, which allowed for \$20 million in unspent state funding to be used to create an additional 4,965 slots in the pre-K program for the remainder of the 2012-13 school year.
<b>North Dakota</b>	No Program				
<b>Ohio</b>	Early Childhood Education	\$23,185,585	\$23,268,341	0.4%	

	Program Name	FY 2011-12 Funding	FY 2012-13 Funding	Percentage Change	Notes on Funding and Policy Changes
<b>Oklahoma</b>	Early Childhood 4-Year-Old Program	\$167,245,396	\$166,241,924	-0.6%	This program is funded through the state's primary school funding formula.
<b>Oregon</b>	OR Head Start Pre-Kindergarten	\$56,360,000	\$52,525,400	-6.8%	
<b>Pennsylvania</b>	Pre-K Counts	\$82,784,000	\$82,784,000	0.0%	
	Head Start Supplemental Assistance	\$37,278,000	\$37,278,000	0.0%	
<b>Rhode Island</b>	Pre-K	\$0	\$1,450,000	100.0%	This program is funded through the state's primary K-12 funding formula.
	Head Start	\$800,000	\$1,000,000	0.0%	
<b>South Carolina</b>	EIA Half Day Child Development Program	\$15,814,671	\$15,813,846	0.0%	
	Child Development Education Pilot Program (CDEPP) – Full Day 4K	\$17,300,000	\$17,300,000	0.0%	
	CDEPP – First Steps Expansion	\$2,484,628	\$1,490,847	-40.0%	
<b>South Dakota</b>	No Program				
<b>Tennessee</b>	Voluntary PreK Program	\$86,454,000	\$87,687,500	1.4%	Total state allocation for early learning is \$91,806,300, of which \$87,687,500 is allocated for the state Voluntary Pre-K program.
<b>Texas</b>	Texas Pre-Kindergarten Program	\$721,000,000	\$698,782,000	-3.1%	This program is funded through the state's primary school funding formula. The original biannual education budget would have increased pre-K spending to \$740 million in FY 2013. However, the budget revised in 2012, resulted in reduced in spending of \$41.3 million (5.57%).
	Pre-Kindergarten Early Start Grants	\$0	\$0	0%	In the fiscal years 2009-10 and 2010-11, this program received \$104.2 million per year in funding. However, funding for this program was discontinued for the 2011-13 biennium.
	Texas School Ready! (Formerly Texas Early Education Model)	\$3,500,000	\$3,500,000	0%	This is a competitive grant program.

	Program Name	FY 2011-12 Funding	FY 2012-13 Funding	Percentage Change	Notes on Funding and Policy Changes
<b>Utah</b>	No Program				
<b>Vermont</b>	Act 62 Funding	\$17,204,000	\$17,450,017	1.4%	This program is funded through the state's primary school funding formula.
	Early Education Initiative	\$5,782,900	\$5,966,869	3.2%	
<b>Virginia</b>	Virginia Preschool Initiative	\$65,104,439	\$68,169,246	4.7%	
<b>Washington</b>	Early Childhood Education and Assistance Program	\$57,156,000	\$57,156,000	0.0%	
<b>West Virginia</b>	West Virginia Early Childhood Education Program	\$82,000,000	\$81,795,000	-0.3%	This program is funded through the state's primary school funding formula.
<b>Wisconsin</b>	4-Year-Old Kindergarten	\$140,000,000	\$161,000,000	15%	This program is funded through the state's primary school funding formula. Total funding for this program is \$260 million with the state supporting 61.9% (\$161 million) and local property taxes supporting the other 38.1% (\$99 million).
	4-Year-Old Kindergarten - Start up grants	\$1,350,000	\$1,350,000	0.0%	
	Head Start Supplement	\$6,264,100	\$6,264,100	0.0%	
<b>Wyoming</b>	No Program				
<b>Washington, D.C.</b>	DCPS	\$61,835,310	\$63,072,016	2.0%	Four-year-old early learning programs in D.C. are funded through the Uniform Per Student Funding Formula (the district's primary education funding formula). The UPSFF increased by 2% in FY 2012-13. It is estimated that early learning funding will increase by 2%.
	DC Charter	\$57,932,123	\$59,090,765	2.0%	
	Pre-K Expansion and Enhancement Program	\$8,952,000	\$9,789,000	9.3%	

## State Pre-Kindergarten Funding

	Total FY 2012	Total FY 2013	Funding Change	Percentage Change
<b>Alabama</b>	\$17,825,502	\$19,087,050	\$1,261,548	7.1%
<b>Alaska</b>	\$9,566,300	\$12,073,400	\$2,507,100	26.2%
<b>Arizona</b>				
<b>Arkansas</b>	\$103,500,000	\$103,500,000	\$0	0.0%
<b>California</b>	\$376,613,000	\$481,003,000	\$104,390,000	27.7%
<b>Colorado</b>	\$67,073,313	\$67,073,313	\$0	0.0%
<b>Connecticut</b>	\$81,559,246	\$82,095,978	\$536,732	0.7%
<b>Delaware</b>	\$5,727,800	\$5,727,800	\$0	0.0%
<b>Florida</b>	\$384,606,382	\$413,100,000	\$28,493,618	7.4%
<b>Georgia</b>	\$301,150,409	\$298,602,245	-\$2,548,164	-0.8%
<b>Hawaii</b>				
<b>Idaho</b>				
<b>Illinois</b>	\$325,123,535	\$300,192,400	-\$24,931,135	-7.7%
<b>Indiana</b>				
<b>Iowa</b>	\$58,328,877	\$67,636,303	\$9,307,426	16.0%
<b>Kansas</b>	\$33,366,914	\$41,258,096	\$7,891,182	23.6%
<b>Kentucky</b>	\$71,758,800	\$71,761,200	\$2,400	0.0%
<b>Louisiana</b>	\$92,174,239	\$93,751,561	\$1,577,322	1.7%
<b>Maine</b>	\$14,389,040	\$14,518,604	\$129,564	0.9%
<b>Maryland</b>	\$113,947,503	\$118,994,141	\$5,046,638	4.4%
<b>Massachusetts</b>	\$32,961,633	\$33,461,633	\$500,000	1.5%
<b>Michigan</b>	\$104,275,000	\$109,272,600	\$4,997,600	4.8%
<b>Minnesota</b>	\$30,195,000	\$30,195,000	\$0	0.0%
<b>Mississippi</b>				
<b>Missouri</b>	\$11,757,600	\$8,321,848	-\$3,435,752	-29.2%
<b>Montana</b>				
<b>Nebraska</b>	\$15,432,425	\$16,180,546	\$748,121	4.8%
<b>Nevada</b>	\$3,338,875	\$3,338,875	\$0	0.0%
<b>New Hampshire</b>				
<b>New Jersey</b>	\$613,330,000	\$632,772,823	\$19,442,823	3.2%
<b>New Mexico</b>	\$14,514,300	\$19,235,900	\$4,721,600	32.5%
<b>New York</b>	\$384,290,826	\$385,000,000	\$709,174	0.2%
<b>North Carolina</b>	\$130,291,706	\$148,147,360	\$17,855,654	13.7%
<b>North Dakota</b>				
<b>Ohio</b>	\$23,185,585	\$23,268,341	\$82,756	0.4%
<b>Oklahoma</b>	\$167,245,396	\$166,241,924	-\$1,003,472	-0.6%
<b>Oregon</b>	\$56,360,000	\$52,525,400	-\$3,834,600	-6.8%
<b>Pennsylvania</b>	\$120,062,000	\$120,062,000	\$0	0.0%
<b>Rhode Island</b>	\$800,000	\$2,450,000	\$1,650,000	206.3%
<b>South Carolina</b>	\$35,599,299	\$34,604,693	-\$994,606	-2.8%
<b>South Dakota</b>				

	Total FY 2012	Total FY 2013	Funding Change	Percentage Change
<b>Tennessee</b>	\$86,454,000	\$87,687,500	\$1,233,500	1.4%
<b>Texas</b>	\$724,500,000	\$702,282,000	-\$22,218,000	-3.1%
<b>Utah</b>				
<b>Vermont</b>	\$22,986,900	\$23,416,886	\$429,986	1.9%
<b>Virginia</b>	\$65,104,439	\$68,169,246	\$3,064,807	4.7%
<b>Washington</b>	\$57,156,000	\$57,156,000	\$0	0.0%
<b>West Virginia</b>	\$82,000,000	\$81,795,000	-\$205,000	-0.3%
<b>Wisconsin</b>	\$147,614,100	\$168,614,100	\$21,000,000	14.2%
<b>Wyoming</b>				
<b>Washington, D.C.</b>	\$128,719,433	\$131,951,782	\$3,232,349	2.5%
<b>Total</b>	<b>\$5,114,885,377</b>	<b>\$5,296,526,548</b>	<b>\$181,641,171</b>	<b>3.6%</b>

Support for this project was provided by The Pew Charitable Trusts. The views expressed are those of the author and do not necessarily reflect the views of The Pew Charitable Trusts.

Contact members of the ECS Early Learning team for questions related to this report: Bruce Atchison [batchison@ecs.org](mailto:batchison@ecs.org) or Emily Workman [eworkman@ecs.org](mailto:eworkman@ecs.org).

© 2013 by the Education Commission of the States (ECS). All rights reserved.

ECS is the only nationwide, nonpartisan interstate compact devoted to education.

ECS encourages its readers to share our information with others. To request permission to reprint or excerpt some of our material, please contact the ECS Information Clearinghouse at 303.299.3675 or e-mail [ecs@ecs.org](mailto:ecs@ecs.org).

## *Equipping Education Leaders, Advancing Ideas*

<sup>1</sup> Phil Oliff, Chris Mai, and Michael Leachman, *New School Year Brings More Cuts in State Funding for Schools* (Washington D.C.: Center on Budget and Policy Priorities, September 4, 2012).

<sup>2</sup> Ellen Boylan and Shad White, *Formula for Success: Adding High-Quality Pre-K to State School Funding Formula* (Washington D.C.: Pre-K Now, May, 2010).