

# 2010 LEGISLATIVE PRIORITIES



## FULLY FUND EARLY LEARNING PROGRAMS

- 856,634 children (age 0-12) were living at or below 150% of the federal poverty level in 2007, meeting eligibility requirements for school readiness services. Only 247,349 children (less than 30%) received services in 2008-09 due to funding limitations.
- \$37M in General Revenue must be reinstated to maintain services to the children currently participating in school readiness.
- \$38M is required to replace non-recurring federal funding from the American Recovery and Reinvestment Act utilized in 2009-10 for the Voluntary Prekindergarten Program.
- \$28.6M must be added to address 2008-09 and 2009-10 deficits and maintain services to the children currently participating in the Voluntary Pre-Kindergarten Program.
- \$42.8M must be added to address anticipated growth in the Voluntary Pre-Kindergarten Program.
- Quality early learning services are critical components of economic development, enabling families to work while their children are prepared to enter school ready to learn, have fewer special education placements, read at or above grade level by 3rd grade, graduate high school on time, and be employed with higher earnings.

The Association of



**Early Learning Coalitions**

**The Association of Early Learning Coalitions (AELC) is an organization consisting of the Executive Directors of the 31 Early Learning Coalitions, providing services in all counties and communities across Florida.**

*We provide leadership for the early learning community, sharing best practices, strengthening early learning management systems, and advising the Agency for Workforce Innovation regarding early learning issues and policies from a local perspective.*

Questions regarding these legislative priorities should be directed to Dave McGerald, Chair, Association of Early Learning Coalitions at [dmcgerald@elhc.org](mailto:dmcgerald@elhc.org).

*last update 3/8/10  
State Legislative*

# THE COSTS OF DISINVESTMENT

## Why States Can't Afford to Cut Smart Early Childhood Programs

### CUTTING EFFECTIVE EARLY CHILDHOOD PROGRAMS HURTS STATES NOW

This year, policy makers in every state are forced to make hard choices. Priority must go to programs whose demonstrated economic and societal benefits, based on solid research, save money now and generate future revenue.

### INVESTMENTS IN EARLY CHILD DEVELOPMENT BENEFIT STATES NOW

When public resources are stretched thin, essential programs for young children often lose out in the budget process. Budget cuts that deprive children of a strong developmental start mean society and taxpayers lose, too.

#### Quality home visiting/parent mentoring programs can reduce costs now:

- Such programs can help decrease by half the incidence of low-birthweight births,<sup>1</sup> saving between \$28,000 and \$40,000 per low-birthweight birth averted;<sup>2</sup> and
- They can save states collectively some of the \$33 billion in annual child abuse- and neglect-related costs, such as hospitalization and law enforcement.<sup>3</sup>

#### Effective pre-k programs reduce costly grade retention and special education services:

- Pennsylvania's Pre-K Counts saw a reduction in the percentage of participating children with developmental delays (which predict special education needs) from 21 percent at entry to 8 percent at program graduation;<sup>4</sup> and
- A study of New Jersey's Abbott Preschool Program found 30 percent less grade retention in first grade among children who attended one year and up to 50 percent less for those who attended at both ages 3 and 4;<sup>5</sup> each child held back costs the state \$16,000 per year.

#### Better-prepared pre-k graduates make kindergarten teachers more effective, which reduces costs:

- Prepared students enable the whole class to learn more and progress more quickly; and
- Ready learners also reduce teacher turnover.<sup>6</sup>

#### Early childhood programs stimulate the local economy.

- Because child care and pre-k professionals tend to spend, rather than save, more of their earnings, their jobs cause wage dollars to move multiple times through local businesses;<sup>7</sup>
- Facilities maintenance and supplies are heavily local, spurring spending when and where it is most needed;<sup>8</sup> and
- Parents whose children are in reliable, quality care work more productively and rely less on public assistance.<sup>9</sup> Those who are out of work can search for jobs and participate in training programs.
- States generate roughly two dollars in local spending for each federal childcare dollar spent. These "multiplier effects" range from 1.92 in Ohio to 2.08 in California and 2.17 in Pennsylvania.<sup>10</sup>

## Cuts to Early Childhood Programs Hurt State and Local Businesses, Act as Anti-Stimulus

During Pennsylvania's summer 2009 budget impasse, more than 4,800 early childhood workers were at risk of losing their jobs. Had the final budget included the proposed 50 percent reductions in early childhood programs, more than 2,000 jobs would have been permanently eliminated.

#### Our economy is being dramatically re-shaped. Workforce development is critical to success.

Ensuring a reliable stream of qualified workers is a key factor for states in attracting new business. Programs that start children on the path to successful adulthood—such as early education and parent support/home visiting—spur workforce development in multiple ways. In the long term, they increase school test scores, graduation rates, college attendance, job readiness and earnings; and reduce substance abuse, crime and teen pregnancy—all critical to growing a skilled workforce.

### Programs that start children on the path to successful adulthood—such as early education and parent support/home visiting—spur workforce development in multiple ways.

In the short term, such public investments help attract new business by signaling the state's commitment to workforce development. Today, they help ensure that employees have quality services for their children, making them more productive on the job.

#### Applying five principles can help secure states' economic future.

Enacting smart policies requires decision-making that prioritizes proven programs for all state spending.

- **Human Capital:** Expand programs that improve your state's workforce and community well-being. These investments will help attract and grow new businesses;
- **Early Childhood:** Invest in the first five years of life. These represent the most powerful time to spur development of creative and productive members of society;
- **Evaluation:** Prioritize programs that have been proven effective; early childhood programs are backed by extensive research demonstrating their economic and societal value;
- **Transparency:** Ensure that budget decisions and priorities are clear and understandable; and
- **Sustainability:** Budget with an eye toward the future. Rebuilding the economy could take many years, but there are policies that can save money now and position your state well for long-term growth.



**Budget wisely. Protect effective pre-k and home visiting programs. Give children a strong start, build human capital, and position your state to compete and thrive in the new economy that is taking shape now.**

#### ENDNOTES

1. E. Lee et al. "Reducing Low Birth Weight through Home Visitation: A Randomized Controlled Trial," *American Journal of Preventative Medicine* 36(2009) 154-60.
2. "Delivering Healthy Babies and Economic Returns," Partnership for America's Economic Success, December 2009, [www.partnershipforsuccess.org](http://www.partnershipforsuccess.org).
3. Wang, Ching-Tung and Holton, John, "Total Estimated Cost of Child Abuse and Neglect in the United States." Chicago: Prevent Child Abuse America, 2007.
4. Bagnato, Stephen J. et al, "Pre-K Counts in Pennsylvania for Youngsters' Early School Success." 2009 Early Childhood Partnerships, SPECS Evaluation Team, University of Pittsburgh.
5. 30% and 50% reduction compared to non-participants. Ellen Frede et al, "The Apples Blossom: Abbott Preschool Program Longitudinal Effects Study (APPLES) Preliminary Results Through 2nd Grade Interim Report." New Brunswick: National Institute for Early Education Research, Rutgers, The State University of New Jersey, 2009
6. Belfield, Clive R., and Schwartz, Heather, "The Economic Consequences of Early Childhood Education on the School System." New Brunswick, NJ: National Institute for Early Education Research, 2006.
7. Warner, Mildred, "Child Care Multipliers: Stimulus for the States." Multiplier effects: estimate of total sales generated by each dollar of increased direct spending for child care services, Cornell Cooperative Extension, 2009.
8. Id.
9. "Former welfare recipients [who received assistance to place their children in reliable care] were 82 percent more likely to still be employed after two years [than those without assistance]," *Child Care as an Economic Stimulus*, National Women's Law Center, November 2008, Washington, D.C.
10. Warner 2009.



Information taken from the PEW Center on States Issue Brief #13 please go to [pewcenteronthestates.org](http://pewcenteronthestates.org) for more information.

# STATE PRESCHOOL PROGRAMS SAVE **\$1B** A YEAR IN CRIME, EDUCATION COSTS

January 25, 2010

BY CHRIS CHRISTOFF

FREE PRESS LANSING BUREAU

LANSING – State preschool programs over the past 25 years are saving the state \$1 billion this year in crime and education costs, with increased productivity, according to a new study announced by state school superintendent Mike Flanagan and early childhood development advocates.

Flanagan said the study shows the state should spend much more than it does getting prekindergarten children ready for school, which would produce more far reaching benefits.

“In a K-12 system, we spend \$`1 billion a grade, but we don’t spend anywhere close to that where it would get the biggest bang for the buck” which is preschool programs, Flanagan said.

Flanagan said the state and school districts should consider reducing the cost of school employee benefits and using the savings to expand preschool programs.

Among the savings cited in the study by Wilder Research of St. Paul, Minn. of the effects of preschool programs for Michigan at-risk children:

- **A \$220-million savings to public schools because fewer students repeat grades and there is less need for special education instruction.**
- **\$584 million less for programs for juvenile corrections, child abuse, welfare and unemployment, and more work productivity when the children enter the workforce.**
- **\$347 million less in social costs as a result of less crime and substance abuse, and more income for their parents.**

About 47,000 children under age 6 are enrolled in either the state-funded Great Start Readiness program or the federally funded Head Start Program.

The state allocated \$87 million this fiscal year for the Great Start program. The Wilder study found that another 35,000 children could qualify if funding was available.

“Cutting a dollar in early childhood education is not going to save money, it will cost you in the future,” said Paul Anton, who oversaw the Wilder Research study.

The study was commissioned by the Early Childhood Investment Corp., a Lansing-based nonprofit agency that coordinates state preschool programs.