

Department of Education

SCHOOL READINESS

Fiscal Year 2015 Request

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SCHOOL READINESS

For carrying out, in accordance with the applicable requirements of part D of title V of the Elementary and Secondary Education Act of 1965, \$500,000,000, for obligation through December 31, 2015, for a preschool development grants program:¹ *Provided*, That the Secretary shall use all funds made available under this heading to make competitive awards to States, local education agencies, or local governmental entities (as determined by the Secretary) for activities that build the capacity within the State to develop, enhance, or expand high-quality preschool programs, including comprehensive services and family engagement, for preschool-aged children from families at or below 200 percent of the Federal poverty line:² *Provided further*, That the Secretary may permit or require States, local education agencies, or local governmental entities to subgrant a portion of grant funds to local educational agencies or other early learning providers (including, but not limited to, Head Start programs and licensed child care providers), or consortia thereof, for the implementation of high-quality preschool programs for children from families at or below 200 percent of the Federal poverty line:³ *Provided further*, That subgrantees that are local educational agencies shall form strong partnerships with early learning providers and that subgrantees that are early learning providers shall form strong partnerships with local educational agencies, in order to carry out the requirements of the subgrant:⁴ *Provided further*, That, notwithstanding the second proviso, up to 3 percent of such funds for preschool development grants shall be available for technical assistance, evaluation, and other national activities related to such grants.⁵

NOTE

Each language provision that is followed by a footnote reference is explained in the Analysis of Language Provisions and Changes document, which follows the appropriations language.

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Analysis of Language Provisions and Changes

Language Provision	Explanation
<p>¹ <u>For carrying out, in accordance with the applicable requirements of part D of title V of the Elementary and Secondary Education Act of 1965, \$500,000,000, for obligation through December 31, 2015, for a preschool development grants program</u></p>	<p>This language expands the period of availability for the appropriation to December 31, 2015.</p>
<p>² <u>Provided, That the Secretary shall use all funds made available under this heading to make competitive awards to States, local education agencies, or local governmental entities (as determined by the Secretary) for activities that build the capacity within the State to develop, enhance, or expand high-quality preschool programs, including comprehensive services and family engagement, for preschool-aged children from families at or below 200 percent of the Federal poverty line²</u></p>	<p>This language authorizes the Department to make competitive Preschool Development grants to States.</p>
<p>³ <u>Provided further, That the Secretary may permit or require States, local education agencies, or local governmental entities to subgrant a portion of grant funds to local educational agencies or other early learning providers (including, but not limited to, Head Start programs and licensed child care providers), or consortia thereof, for the implementation of high-quality preschool programs for children from families at or below 200 percent of the Federal poverty line</u></p>	<p>This language allows grantees to subgrant funds to local educational agencies, other early learning providers, or consortia thereof.</p>
<p>⁴ <u>Provided further, That subgrantees that are local educational agencies shall form strong partnerships with early learning providers and that subgrantees that are early learning providers shall form strong partnerships with local educational agencies, in order to carry out the requirements of the subgrant</u></p>	<p>This language requires subgrantees that are local educational agencies to form strong partnerships with early learning providers and subgrantees that are early learning providers to form strong partnerships with local educational agencies.</p>

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Analysis of Language Provisions and Changes

Language Provision	Explanation
<p>⁵ <u>Provided further, That, notwithstanding the second proviso, up to 3 percent of such funds for preschool development grants shall be available for technical assistance, evaluation, and other national activities related to such grants</u></p>	<p>This language allows the Department to reserve up to 3 percent of program funds for national activities.</p>

SCHOOL READINESS

Appropriation, Adjustments and Transfers
(dollars in thousands)

Appropriation/Adjustments/Transfers	2013	2014	2015
Discretionary:			
Appropriation	0	0	\$500,000
Comparative transfer from:			
<u>Innovation and Improvement Programs for:</u>			
Race to the top.....	<u>0</u>	<u>\$250,000</u>	<u>0</u>
Total, adjusted discretionary appropriation.....	0	250,000	500,000
Mandatory:			
Appropriation.....	<u>0</u>	<u>0</u>	<u>1,299,982</u>
Total, discretionary and mandatory appropriation	0	250,000	1,799,982

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Authorizing Legislation
(dollars in thousands)

Activity	2014 Authorized	2014 Estimate	2015 Authorized	2015 Request
Preschool Development Grants (ESEA V-D)	Indefinite	\$250,000	To be determined	\$500,000
Preschool for All (mandatory) (proposed legislation)	<u>0</u>	<u>0</u>	<u>To be determined</u>	<u>1,299,982</u>
Total discretionary appropriation (subject to authorization)		250,000		500,000
Total mandatory appropriation (not authorized)				1,299,982

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DEPARTMENT OF EDUCATION FISCAL YEAR 2015 PRESIDENT'S BUDGET

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(in thousands of dollars)						
Account, Program and Activity	Category Code	2013 Appropriation	2014 Appropriation	2015 President's Budget	2015 President's Budget Compared to 2014 Appropriation	
					Amount	Percent
School Readiness (proposed legislation)						
1. Preschool development grants ¹	D	0	250,000	500,000	250,000	100.000%
2. Preschool for all	M	0	0	1,299,982	1,299,982	---
Total		0	250,000	1,799,982	1,549,982	619.993%
Discretionary	D	0	250,000	500,000	250,000	100.000%
Mandatory	M	0	0	1,299,982	1,299,982	---

NOTES: D = discretionary program; M = mandatory program; FY= fiscal year

- Programs authorized by the Elementary and Secondary Education Act for which funds are requested or that are proposed for consolidation in FY 2015 are proposed under new authorizing legislation.
- Multiple programs affected by the proposed ESEA reauthorization have been renamed and moved among accounts, some of which also have been renamed.
- Account totals and programs shown within accounts in FY 2013 and FY 2014 have been adjusted for comparability to FY 2015.
- Accounts are shown under the administering office that has primary responsibility for most programs in that account; however, there may be some programs that are administered by another office.

Detail may not add to totals due to rounding.

¹ The Department of Education Appropriations Act, 2014, provided funds under Race to the Top in the Innovation and Improvement account, now the Innovation and Instructional Teams account.

SCHOOL READINESS

Summary of Request

The Administration's 2015 School Readiness request includes significant investments that will establish a continuum of high-quality early learning through kindergarten entry. The signature program in this effort is Preschool for All, a proposed \$75 billion mandatory investment over 10 years that would build upon existing State systems to provide high-quality preschool to all 4-year-olds from low- and moderate-income families. The program would also create incentives for States to expand publicly funded preschool services to middle-class families and promote access to high-quality full-day kindergarten and high-quality early learning programs for children under the age of 4.

In order to enable more States and communities to be ready to provide high-quality preschool through the Preschool for All program, the Administration is requesting \$500 million in discretionary funds for Preschool Development Grants. This level of funding would help support 16 to 20 grants to States and communities. An additional \$250 million would be provided through the Opportunity, Growth, and Security Initiative, for a total discretionary investment of \$750 million. This additional funding would reach two-thirds of States by 2015. These grants would pave the way for the successful implementation of Preschool for All by ensuring that States and localities most willing commit to expanding preschool access are able to make the critical investments necessary to support high-quality programs. One key goal of the grants would address fundamental needs like workforce development, and quality infrastructure components such as program standards, monitoring, and evaluation. A second key goal would support the scale-up of high-quality local programs that could serve as models for Preschool for All.

The Administration is also proposing \$1.3 billion in mandatory funding for Preschool for All to support grants to States for the implementation of high-quality preschool programs that are aligned with elementary and secondary education systems. The proposed investment reflects both the recognition that the path to college completion begins during a child's earliest years and that high-quality preschool can eliminate the school readiness gap that exists between children from low- and higher-income families. High-quality preschool drives increased school readiness across multiple domains, including: language and literacy development; cognition and general knowledge (including early mathematics and science development); approaches toward learning; physical well-being and motor development; and social and emotional development. Longer-term improved outcomes include narrower achievement gaps, fewer placements in special education programs and services, and a reduced need for remediation in the early elementary grades.

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Preschool development grants

(Elementary and Secondary Education Act of 1965, Title V, Part D)

(dollars in thousands)

FY 2015 Authorization: To be determined

Budget Authority:

<u>2014</u>	<u>2015</u>	<u>Change</u>
\$250,000 ¹	\$500,000	+\$250,000

¹ The Consolidated Appropriations Act, 2014, provided funds under Race to the Top in the Innovation and Improvement account.

PROGRAM DESCRIPTION

The Department would make Preschool Development Grants on a competitive basis to States, local educational agencies, or local governmental entities to (1) build or enhance a preschool program infrastructure that would enable the delivery of high-quality preschool services to children, and (2) scale-up high-quality preschool programs in targeted communities that would serve as models for expanding preschool to all 4-year-olds from low- and moderate-income families. These grants would lay the groundwork to ensure that more States are ready to participate in the Preschool for All formula grant initiative. Services could be implemented through a mixed-delivery system of providers including schools, licensed child care centers, Head Start, or other community-based organizations.

Grantees would be required to meet nationally recognized, program quality standards, including, at a minimum, the following elements: (1) high staff qualifications, including a bachelor of arts for teachers; (2) professional development for teachers and staff; (3) low staff-child ratios and small class sizes; (4) a full-day program; (5) developmentally appropriate, evidence-based curricula and learning environments that are aligned with the State early learning standards; (6) employee salaries that are comparable to those for K-12 teaching staff; (7) ongoing program evaluation to ensure continuous improvement; and (8) onsite comprehensive services for children.

Each applicant would be required to submit a plan that describes (1) how the entity will extend preschool access to children at or below 200 percent of the Federal poverty level; (2) its strategy for ensuring an adequate supply of high-quality preschool slots; (3) the capacity of its teacher workforce to effectively serve additional children; (4) a system of monitoring for continuous improvement; (5) how the entity will establish a strong partnership between local education agencies and other early learning providers; and (6) a sustainability plan to maintain high-quality services for children after the grant period. In some instances, a State grantee might wish to use these funds to build components of the early education program quality infrastructure that will be required under the Preschool for All program, such as (1) developing or enhancing comprehensive early learning and development standards and high-quality preschool program

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Preschool development grants

standards; (2) linking preschool and elementary and secondary school data; (3) implementing or improving the State's tiered quality rating and improvement systems (TQRIS); and (4) implementing a comprehensive early learning assessment system. The Department would permit grantees to subgrant funds to other high-quality early learning providers to implement preschool services to children from low- and moderate-income families.

This is an extended availability program. Funds are available for obligation for 15 months, from October 1 of the fiscal year appropriated through December 31 of the following fiscal year.

FY 2015 BUDGET REQUEST

The Administration requests \$500 million in fiscal year 2015 for Preschool Development Grants to support the second year of this program. An additional \$250 million would be provided through the Opportunity, Growth, and Security Initiative, for a total discretionary investment of \$750 million. The program, which was funded in 2014 through Race to the Top in the Innovation and Improvement account, provides competitive grants to States to develop, enhance, or expand high-quality preschool programs for children from families at or below 200 percent of the Federal poverty line. Grants made in 2014 provide support for both low-capacity States to build the fundamental components of a high-quality preschool system, as well as for high-capacity States to scale-up proven preschool models. This additional funding would allow the Department to fund two-thirds of States by 2015.

The fiscal year 2015 request would again support States as well as local entities efforts to develop the needed infrastructure to implement high-quality preschool programs and scale-up model programs. These efforts would prepare more States to participate in Preschool for All and help to expand high-quality local programs that could be taken to scale.

Research findings provide strong justification for Federal investment in high-quality preschool programs. Children who attend high-quality preschool are better prepared for school, less likely to be retained in grade, score higher on reading and math assessments in the elementary grades, and are more likely to graduate from high school than children who do not attend such programs. These benefits are particularly strong for children from low-income families.

In addition to the educational gains, investment in high-quality preschool provides economic benefits. Evidence shows that for every \$1 invested in high-quality preschool, taxpayers saved an average of \$7 in future costs due to lower remedial education costs, increased labor productivity, and reduction in crime.¹ Yet, despite these benefits, only 1 in 3 children attend a high-quality preschool program.²

Currently, there are 52 State-funded preschool programs in 40 States and the District of Columbia; however, access to and the quality of these programs varies substantially across and

¹ Heckman, J. J., Moon, S. H., Pinto, R., Savelyev, P. A., Yavitz, A. (2009). The rate of return to the High/Scope Perry Preschool Program. "National Bureau of Economic Research Working Paper 15471." Retrieved from <http://www.nber.org/papers/w15471>

² Department of Education, National Center for Education Statistics, Early Childhood Longitudinal Study, Birth Cohort, Longitudinal 9-month–Kindergarten Restricted-Use Data File. (Table was prepared December 2010 http://nces.ed.gov/programs/digest/d11/tables/dt11_057.asp.)

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Preschool development grants

within States.³ Only three states—Georgia, Oklahoma, and West Virginia—and the District of Columbia provide universal access for all families that wish to enroll their children. According to the National Institute for Early Education Research, 30 State programs require preschool teachers to have a bachelor's degree, 22 States offer full-day programs, and 32 State programs require site visits.

These data demonstrate that while several States are well prepared to participate in Preschool for All, others would benefit from targeted quality investments to prepare them to offer high-quality preschool to all 4-year-olds from low- and moderate-income families.

At the local level, there are pockets of success to build on, which can serve as excellent examples for States to replicate through Preschool for All. Some local communities are investing public resources to provide high-quality preschool programs for their children. The Preschool Development Grants will help to strengthen and bring to scale these efforts by enabling local communities an opportunity to directly compete for funds.

Preschool Development Grants would help jumpstart or expand high-quality preschool in communities across the Nation, laying the foundation for State participation in Preschool for All. This program is a key part of the Administration's overall strategy to address the challenges of expanding universal preschool to more than 1 million children from low- and moderate-income families.

PROGRAM OUTPUT MEASURES (dollars in thousands)

<u>Measures</u>	<u>2014</u>	<u>2015</u>
Amount for new awards	\$240,000	\$480,000
Number of new awards	11-13	16-20
Peer review of new award applications	\$2,500	\$5,000
National Activities	<u>\$7,500</u>	<u>\$15,000</u>
Total, Preschool Development Grants	\$250,000	\$500,000

³ 2012 Yearbook, National Institute for Early Education Research, Rutgers, NJ.

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Preschool for all

(Proposed legislation)

(dollars in thousands)

FY 2015 Authorization: To be determined

Budget Authority (mandatory):

<u>2014</u>	<u>2015</u>	<u>Change</u>
0	\$1,299,982	\$1,299,982

PROGRAM DESCRIPTION

The Administration's 2015 budget includes significant new investments that will establish a continuum of high-quality early learning through kindergarten entry. The signature program in this effort is Preschool for All, a proposed \$75 billion mandatory investment over 10 years, beginning with \$1.3 billion in fiscal year 2015. This groundbreaking proposal calls for a new Federal-State partnership that would build upon existing State systems to provide all low- and moderate-income 4-year-olds with high-quality, publicly-funded preschool, while also encouraging the expansion of these programs to include children from middle class families. In addition, Preschool for All would promote access to full-day kindergarten and high-quality early learning programs for children under the age of 4.

Preschool for All funds would be used to improve outcomes for children by expanding the number and availability of high-quality preschool programs and improving the quality of existing programs. The definition of high-quality preschool, based on nationally recognized standards, includes, at a minimum, the following elements: (1) high staff qualifications, including a bachelor's degree for teachers; (2) professional development for teachers and staff; (3) low staff-child ratios and small class sizes; (4) a full-day program; (5) developmentally appropriate, evidence-based curricula and learning environments that are aligned with the State early learning standards; (6) employee salaries that are comparable to those for K-12 teaching staff; (7) ongoing program evaluation to ensure continuous improvement; and (8) onsite comprehensive services for children.

In order to receive a Preschool for All formula grant, States would have to demonstrate that they have: (1) early learning and development standards across the essential domains of school readiness, (2) high-quality program standards, (3) requirements for teacher and staff qualifications, and (4) the ability to link preschool data with K-12 data. In addition, each State would be required to submit a plan that describes how it will provide access to high-quality preschool with open enrollment for all 4-year-olds from families with incomes at or below 200 percent of the Federal poverty line within a reasonable time period. If a State opts to expand participation in high-quality preschool for children with family incomes above 200 percent of the Federal poverty line, its plan should also describe its expansion strategy and goals. Each State's plan would also address how it would develop and implement the infrastructure that is crucial to ensuring program quality, such as a system that evaluates, rates, and makes public the quality of programs and a comprehensive early learning assessment system. Since a

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Preschool for all

participating State would be permitted to expand federally funded activities once it has made preschool universally available to low- and moderate-income 4-year-olds, the plan would also address how the State will promote access to full-day kindergarten and, if full-day kindergarten is already provided, how the State will extend high-quality preschool to low- and moderate-income 3-year-olds.

Funds would be awarded through a cost-sharing model under which the Federal Government would assume a significant share of the program costs in the first years of the program with States gradually assuming more responsibility over time. Each State that receives a grant would be required to contribute non-Federal matching funds and would be eligible for a reduced (incentive) match rate if it has a plan to serve additional children from families with incomes above 200 percent of the Federal poverty line in high-quality public preschool programs.

Allocations to States would be based on each State's relative share of 4-year olds from families at or below 200 percent of the Federal poverty level. Program funds would support preschool for 4-year-olds with family incomes at or below 200 percent of the Federal poverty level. The allocations to States would also take into account other factors, such as the level of program participation and the estimated cost of the activities specified in the State plan.

In the first 4 years of its grant, States would be permitted to reserve up to 20 percent of its funds for quality improvement efforts and an additional one half of 1 percent for administrative costs. States would be required to subgrant no less than 80 percent of their awards to local educational agencies (LEAs) or other early learning providers in partnership with LEAs. Examples of other early learning providers include child care centers, community-based organizations, and private providers. If a State does not reserve funds for quality improvement efforts, it would be required to use not less than 99 percent of its allocation to make subgrants to eligible local entities.

Each State that receives grant funds would be required to maintain fiscal support of its State-funded preschool programs. Additionally, Preschool for All funds must be used to supplement and not supplant other Federal, State, and local public funds expended on public preschool programs in the State.

The Administration's proposal includes set-asides of one half of 1 percent for both the Department of Interior's Bureau of Indian Education (BIE) and the Outlying Areas; each of these entities would have to meet the same eligibility requirements as those established for States in order to receive Federal funding. The Administration's proposal also would allow the Department to reserve up to 1 percent, not to exceed \$30 million, for national activities.

FY 2015 BUDGET REQUEST

The Administration is proposing to authorize \$75 billion in mandatory funding over 10 years for Preschool for All, including \$1.3 billion in fiscal year 2015 to support the first year of this State-Federal partnership. The \$1.3 billion proposal is based on estimated State participation rates, costs of high-quality preschool per child, and expected State expansion of preschool services. The Administration estimates that 15 States would receive grant awards in the first year, with all States expected to qualify for grants by year 3.

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Research findings provide strong justification for Federal investment in high-quality preschool programs. Children who attend high-quality preschool are better prepared for school, less likely to be retained in grade, score higher on reading and math assessments in the elementary grades, and are more likely to graduate from high school than children who do not attend such programs. Furthermore, these benefits are particularly strong for children from low-income families.

In addition to the educational gains, investment in high-quality preschool provides economic benefits. Evidence shows that for every \$1 invested in high-quality preschool, taxpayers saved an average of \$7 in future costs due to reduction in remedial education costs, increased labor productivity, and reduced crime.¹

States have led the way in translating this research into action. As of 2013, 40 States and the District of Columbia have at least one publicly-funded State preschool program in place. Despite these efforts, the Department estimates that more than one-third of 4-year-olds from low-income families are not enrolled in any preschool program, and the high costs of private preschool and lack of public programs also narrow options for middle-class families. Moreover, access to publicly funded programs varies significantly across States and localities, ranging from no children served in some areas to near universal coverage in others.²

The quality of existing programs also varies widely among providers. Fewer than 3 in 10 4-year-olds are enrolled in high-quality programs. Research consistently demonstrates that only high-quality preschool delivers real benefits for children, which is why the Administration's Preschool for All proposal includes requirements for quality, based on nationally recognized standards that research shows can lead to closing the opportunity gap between children from lower-income families and their peers from higher-income families.

The Preschool for All program is a key part of the Administration's overall strategy to provide children with a high-quality foundation that will prepare them for success in school and in life. As part of this strategy, the Administration is launching Early Head Start-Child Care Partnerships in the Department of Health and Human Services (HHS) to expand high-quality early learning programs for infants and toddlers and proposing to expand HHS's voluntary evidence-based home visiting services.

Preschool for All is also integral to President Obama's opportunity agenda, which involves a wide range of activities across the Federal Government—including a proposed \$100 million investment in the Promise Neighborhoods program—designed to provide cradle-to-career support for children and families in America's highest-poverty communities. The \$1.3 billion investment in Preschool for All proposed for 2015 would help expand high-quality preschool to thousands of children in such communities.

¹ Heckman, J. J., Moon, S. H., Pinto, R., Savelyev, P. A., Yavitz, A. (2009). The rate of return to the High/Scope Perry Preschool Program. "National Bureau of Economic Research Working Paper 15471." Retrieved from <http://www.nber.org/papers/w15471>

² 2012 Yearbook, National Institute for Early Education Research, Rutgers, NJ.

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Preschool for all

PROGRAM OUTPUT MEASURES (dollars in thousands)

	<u>2015</u>
<u>Measures</u>	
Amount for new awards	\$1,260,982
Number of new awards	12-18
Set-Aside for the Outlying Areas	\$6,500
Set-Aside for BIE	\$6,500
National Activities (including technical assistance and evaluation)	<u>\$26,000</u>
Total, Preschool for All Grants	\$1,299,982

PROGRAM PERFORMANCE INFORMATION

The Department will develop performance measures for the Preschool for All program. At a minimum, these measures will track a State's progress in: (1) increased school readiness; (2) decreased educational gaps; (3) decreased placement in special education programs and services; and (4) decreased need for remediation in the early elementary grades.