

State Funding for Preschool

ISSUE

The State provides funds for preschool programming through several annual and standing appropriations. The funds are received and managed by a variety of local and State entities, including local school districts, Area Education Agencies (AEAs), the Child Development Coordinating Council, the Department of Education, and local Early Childhood Iowa boards. This document also provides limited information on the federally funded Head Start program, the largest source of preschool funding in Iowa.

AFFECTED AGENCIES

Department of Education
Department of Management, Early Childhood Iowa (ECI) Initiative

CODE AUTHORITY

Chapters 256A, 256C, and 256I
Section 279.51

BACKGROUND

State funding for preschool is provided through the following four initiatives:

- Statewide Voluntary Preschool for Four-Year-Olds
- Early Childhood Special Education (Part B)
- Shared Visions Preschool Programs
- Early Childhood Iowa (formerly known as Community Empowerment)

Table 1
FY 2011 State Funding for Preschool (in millions)

<u>Program</u>	<u>FY 2011 State Funding</u>
Statewide Voluntary Preschool	\$ 64.5
Early Childhood Special Education	25.2 *
Shared Visions Preschool	7.0
Early Childhood Iowa	7.6
Totals	\$ 104.3

* Includes \$3.2 million in property tax funding.

In addition, the State receives federal funding for Head Start, Early Childhood Special Education (Part B), and Title I Preschool.

The entities responsible for these funds often work collaboratively with one another, as well as with federally funded Head Start programs, so that an individual preschool program may receive funding from multiple initiatives.

Statewide Voluntary Preschool for Four-Year-Olds – Enactment of H.F. 877 (Statewide Preschool Program for Four-Year-Old Children Act) during the 2007 Legislative Session created and provided a funding mechanism for the Statewide Preschool Program for Four-Year-Old Children. The purpose of the program is to provide an opportunity for all young children in the State to enter school ready to learn by expanding voluntary access to quality preschool curricula for all four-year-old children [Section 256C.2(1)]. Requirements of the program include:

- Instruction for the program is provided by an appropriately accredited and licensed teacher under contract with the school district.
- Specific approved learning standards.
- Class sizes of 20 students or less.
- A minimum of 10 hours a week of instruction time.
- Curriculum, assessment, staff development, and instructional strategies that are aligned to the Iowa Early Learning Standards.
- Specific parental involvement including a home visit from the teacher and at least two family-teacher conferences per year.
- Integration of children from other preschool programs, including Head Start, federal Individuals With Disabilities Education Act (IDEA), Title I, Shared Vision, and Community Empowerment (now Early Childhood Iowa).

Funding for the program was based on a phase-in provision that began in the 2007-2008 school year (FY 2008). Annual appropriations were provided to fund the initial year of approved programs from FY 2008 through FY 2011. From FY 2008 through FY 2010, the number of start-up programs approved was limited and the Department of Education selected programs for approval. For FY 2011, the restriction was eliminated and any districts that wanted to participate in the program were allowed to pending Program approval from the Department of Education. The annual appropriation amount was allocated to approved school districts based on a preliminary count of eligible preschool program students estimated to participate in the program.

After the start-up year of the program, funding is generated on a formula basis. An enrollment count of eligible students in the program taken in October is multiplied by a preschool enrollment weighting of 0.6 and by the following year's State cost per pupil as used in the State school aid formula. For example, preschool formula funding in FY 2009 was based on an October 2008 Preschool Program enrollment count of 5,126, multiplied by the weighting of 0.6 ($5,126 \times 0.6 = 3,075.6$) and the FY 2009 State cost per pupil amount of \$5,546. This formula resulted in a total of \$17.1 million for preschool formula funding in FY 2009.

Early Childhood Special Education (Part B) – Early Childhood Special Education (ECSE) is established under Part B of the IDEA for children 3-5 years of age. Services are provided by the AEAs and local school districts. Iowa receives federal funds based on the number of children enrolled. State and local property tax funding is generated through the school aid formula using weighted enrollment.

Shared Visions Preschool Programs – The Shared Visions Preschool programs serve high-risk children, ages three to five, in 51 Iowa counties. The programs are accredited by the National Association for the Education of Young Children. These programs are funded by the Child Development Coordinating Council (CDCC). The CDCC receives approximately two-thirds of the State's standing General Fund appropriation for early childhood at-risk programming. In addition to funding Shared Visions preschools, the CDCC uses approximately 10.0% of the allocation to fund parent support programs.

Early Childhood Iowa – The Early Childhood Iowa (ECI) initiative, formerly known as Community Empowerment, receives an annual appropriation for preschool support. The funds are allocated by formula to the local ECI boards that then enter into contracts with local providers to support preschools in their communities. While the Statewide Voluntary Preschool Program funds the cost of preschool teachers for ten hours per week for many programs around the state, the ECI funding helps local preschool programs provide extended hours and summer programming, transportation, various health screenings and consultations, and family support and parent involvement activities.

STATE FUNDING

Statewide Voluntary Preschool for Four-Year-Olds – For FY 2011, 325 districts (90.5%) are participating in the program. The current estimate for preschool formula funding in FY 2012 (based on a FY 2012 allowable growth rate of 2.0%) is \$80.7 million. **Table 2** provides enrollment, weighting, and funding amounts for the program from FY 2008 through estimated FY 2012. **Chart 1** shows the variety of local preschool programs that partner with school districts to participate in the program.

Table 2
Statewide Voluntary Preschool Program Funding (in millions)

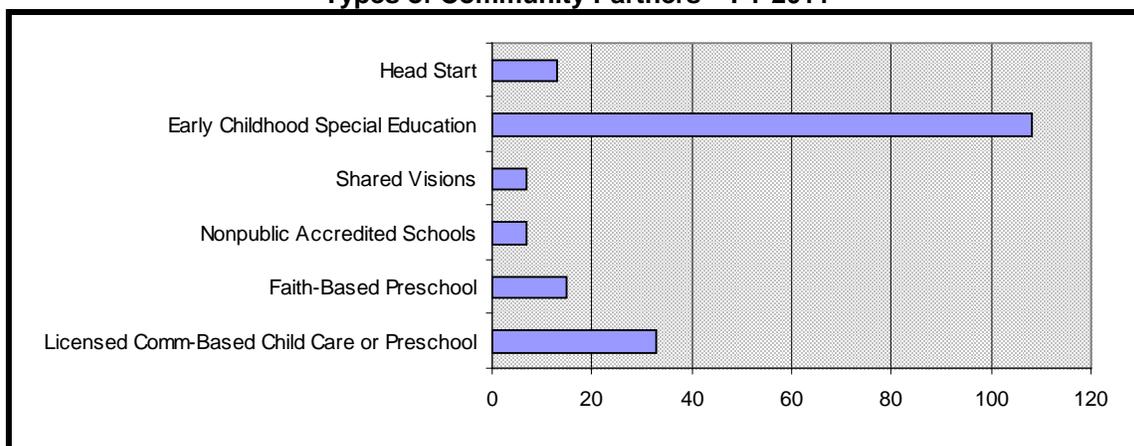
	Appropriation Amount for Initial Year	Preschool Formula Funding	Total State Funding for Statewide Voluntary Preschool Program	Estimated Number of Preschool Students Enrolled*	Preschool Formula Weighting
FY 2008	\$ 15.0	N.A.	\$ 15.0	5,126	N.A.
FY 2009	14.8	\$ 17.1	31.8	9,633	3,075.6
FY 2010	11.5	33.3	44.9	13,666	5,805.6
FY 2011	16.2	48.3	64.5	22,422	8,199.6
Est. FY 2012	N.A.	80.7	80.7	N.A.	13,453.0
Total	\$ 57.6	\$ 179.4	\$ 236.9		

*Estimated number of preschool students is based on October preschool weightings. The FY 2011 enrollment is an LSA estimate.

Estimated FY 2012 assumes a 2.0% allowable growth rate.

Totals may not sum due to rounding.

Chart 1
Statewide Voluntary Preschool Program
Types of Community Partners – FY 2011



Source: Department of Education

Early Childhood Special Education (Part B) – Table 3 shows the federal and State and local property tax funding for Part B preschool services for the most recent five years.

Table 3
Early Childhood Special Education (Part B)
Federal, State, and Local Property Tax Preschool Funding (in millions)

	<u>Federal Funding</u>	<u>State/Local Funding</u>	<u>Total</u>	<u>Children Served</u>
FY 2007	\$ 3.6	\$ 20.6	\$ 24.2	6,199
FY 2008	3.0	22.2	25.2	5,872
FY 2009	3.0	22.1	25.1	5,944
FY 2010	3.7	24.8	28.5	6,267
FY 2011	4.6	25.2	29.7	TBD

Federal funding for FY 2010 and FY 2011 includes one-time infrastructure funds from the American Recovery and Reinvestment Act (ARRA).

LSA estimates that State/Local Funding includes \$3.2 million in local property tax dollars.

The number of children served in FY 2011 has not yet been determined. The count will be available in November 2010.

Totals may not sum due to rounding.

Source: Department of Education

Shared Visions Preschool Programs – Table 4 shows State funding from the CDCC for the most recent five years. The number of children served is provided by age.

Table 4
Shared Visions Preschool Funding (in millions)

	<u>State Funding</u>	<u>3-Year-Olds Served</u>	<u>4-Year-Olds Served</u>	<u>5-Year-Olds Served</u>	<u>Total Served</u>
FY 2007	\$ 6.9	509	1,502	260	2,271
FY 2008	7.7	487	1,733	142	2,362
FY 2009	7.6	495	1,423	237	2,155
FY 2010	7.0	583	1,423	114	2,120
FY 2011	7.0	TBD	TBD	TBD	TBD

The number of children served in FY 2011 has not yet been determined. The count will be available in August 2011.
Totals may not sum due to rounding.

Source: Department of Education

Early Childhood Iowa – **Table 5** shows the annual General Fund appropriations for ECI preschool support for FY 2007 through FY 2011, as well as the number of children served since FY 2008. In FY 2008, local ECI boards provided these funds to 922 programs around the state. In FY 2009, the most recent year reported, 884 programs were funded. **Chart 2** shows the types of preschool programs that received funding from ECI in FY 2010, the most recent year reported.

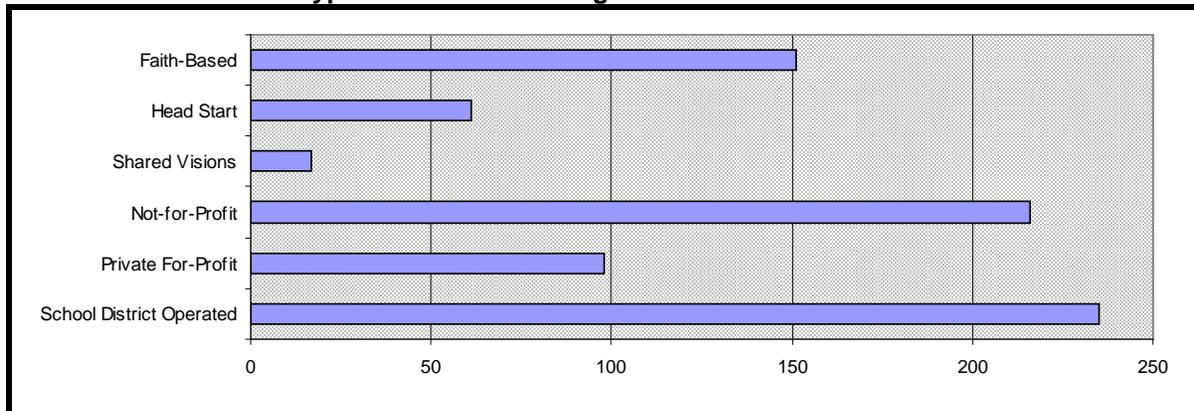
Table 5
Early Childhood Iowa Preschool Support (in millions)

	<u>State Funding</u>	<u>3-Year-Olds Served</u>	<u>4-Year-Olds Served</u>	<u>5-Year-Olds Served</u>	<u>Total Served</u>
FY 2007	\$ 10.2	NA	NA	NA	NA
FY 2008	10.2	3,132	6,406	1,573	11,111
FY 2009	10.2	3,231	5,387	904	9,522
FY 2010	8.8	3,043	4,017	499	7,559
FY 2011	7.6	TBD	TBD	TBD	TBD

The number of children served was not reported in FY 2007. The number served in FY 2011 will be reported by local boards at the end of the fiscal year.
Totals may not sum due to rounding.

Source: Early Childhood Iowa Office, Department of Management

Chart 2
Early Childhood Iowa
Types of Preschool Programs Funded in FY 2010



Source: Early Childhood Iowa Office, Department of Management

FEDERAL HEAD START PROGRAM

The largest source of funding for preschool in Iowa comes from the federal Head Start program. **Table 6** shows the most recent funding for the program and number of children served by State fiscal year.

Table 6
Head Start Funding (in millions)

State Fiscal Year	Federal Funding	Children Served
FY 2007	\$ 43.5	7,914
FY 2008	43.9	7,934
FY 2009	43.1	7,788

Source: Department of Education

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