

Education Report: Vermont

Assessing Pre-Kindergarten Education in Vermont

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EXECUTIVE SUMMARY

In 2004, education expenditures constituted an average of 21.4 percent of state budgets nationwide.¹ As the largest single expenditure for most state governments, public education programs come under scrutiny for their effectiveness and quality and are constantly adapting to fit the needs of constituents as well as federal standards. In order to provide the best possible education to their students, 40 states currently fund some form of pre-kindergarten education. Four of the ten remaining states have federal Head Start programs, while six have no pre-kindergarten program.² Vermont currently implements preschool programming through the state-funded Early Education Initiative and Public Preschool Partnerships as well as through a number of federal grants and initiatives. This report compiles documented potential benefits and drawbacks of preschool educational programming and examines the current state of Vermont's pre-kindergarten programs. It also assesses policy options of maintaining the status quo versus expanding the current programs as well as the general benefits and drawbacks of means-tested and universal preschool education programs.

1. INTRODUCTION

On July 1, 2006, Vermont's General Assembly passed Act 186 on early education, which established the Pre-Kindergarten Education Study Committee to evaluate the current state of pre-kindergarten education in Vermont and its potential benefits. The Committee has looked into the potential benefits and costs of implementing publicly funded early education services, with an emphasis on exploring their relationship to an economic development strategy. Included in the Act was a provision mandating that, as of the 2007-08 school year, any school district wishing to begin a new early education program must contract with a qualified private provider unless it can show that private providers are not able to provide quality services efficiently and effectively. Additionally, the State Board of Education may not "adopt, revise or repeal" any rules governing early childhood or pre-kindergarten education services before June 30, 2008.³ In relation to the Committee's research agenda, existing research on the benefits of early education as well as the different methods of implementation have been explored and analyzed in this report. Also, information on Vermont's current programs has been compiled in order to give an accurate overview of the current state of early education in Vermont and options for expansion.

2. POTENTIAL BENEFITS OF PRE-KINDERGARTEN EDUCATION

2.1 Benefits of Early Education to At-Risk Children

Preschool attendees who are considered "at-risk" due to family income, parents' education, disabilities, neglect, or other disadvantaging factors, have been shown to experience long term success as a result of their participation in pre-kindergarten programs.⁴ Studies that have compared children participating in early childhood development programs to their non-participating peers found that participants, on average, have higher math and reading achievement scores, greater language abilities, less need for special education and other remedial work, lower dropout rates, higher levels of school attainment, and improved nutrition and health.

These children are also less likely to be teenage parents and more likely to pay more taxes, be less dependent on welfare, engage in less drug and alcohol use, and commit fewer criminal acts.⁵

For example, a 15-year follow-up study of over 1,500 low-income children in Chicago, Illinois found that by the age of 20 those who had attended preschool programs had higher educational attainment (49.7 percent vs. 38.5 percent), fewer juvenile arrests (16.9 percent vs. 25.1 percent) and less grade retention (23.0 percent vs. 38.4 percent) than their non-attending peers.⁶ Further, the Carolina Abecedarian study, which provided children from low-income families with intensive preschool services, found that children at age eight who had enrolled in preschool attained significantly higher scores on IQ and mathematics and reading achievement tests. While the IQ gap between preschool attendees and their non-participating peers faded by the age of 15, the effects on mathematics and reading scores remained positive and significant. Further, the study found that the preschool attendees were significantly more likely to attend a four-year-college (36 percent vs. 13 percent).⁷

2.2 Benefits of Early Education to Advantaged Children

In addition to studies that document the benefits of early education for at-risk children, there are studies that conclude early education may also be beneficial to all children, regardless of economic background.⁸ While there is also some evidence of diminishing returns to early education as household income increases, lack of school readiness is a concern for middle- and upper-income students as well. The lack of school readiness seen in children beginning kindergarten decreases in direct relationship to income, but is still present for all income groups. The availability of high-quality early education is of specific concern for middle-income families that do not meet poverty standards, but still lack the means to provide pre-kindergarten to their children.⁹

In a study that examined approximately 4,700 pre-kindergarten and kindergarten students in Tulsa, Oklahoma's universal pre-kindergarten program, the positive effects of high-quality pre-kindergarten programs experienced by low-income children were shown to extend to middle-income children. For example, children in all income groups made significant gains in letter-word identification and spelling scores.¹⁰ Another study that traced students from pre-kindergarten to second grade found that high quality early education is associated with positive cognitive and social outcomes for children across the range of family circumstances.¹¹

2.3 Economic Benefits of Early Education

There exists evidence that investments in early childhood education have benefits to states' economies. Studies on the economic impact of pre-kindergarten take into account both savings during the child's educational career as well as long term effects such as lower public spending on social assistance and law enforcement during adulthood. A study targeting the expansion of pre-kindergarten to all disadvantaged children in Massachusetts, Ohio, and Wisconsin revealed the following economic benefits:¹²

- *School system efficiency* – Children who participate in preschool programs are less likely to need special education as they get older and are less likely to experience grade retention.
- *Learning productivity* – Gains in academic achievement and improved student behavior

contribute to increased learning productivity of a school and greater school safety. This can contribute to a decrease in expenditures aimed at augmenting student achievement.

- *Teacher job satisfaction* – As pre-kindergarten attendance improves student behavior and learning productivity, teachers report greater job satisfaction when working with pre-kindergarten attendees. This resulted in a decrease in teacher turnover and absenteeism.
- *Augmented labor force* – When states provide childcare through early education programs, there is increased parental participation in the labor force, which increases tax revenues from their incomes. Furthermore, children who attend preschool are more likely to earn higher incomes in adulthood and therefore contribute more to tax revenues.
- *Criminal justice system* – Pre-Kindergarten attendees are less likely to commit crimes both as juveniles and adults. Thus, states can save greatly when fewer citizens engage in criminal acts that require the court systems or incarceration.
- *Social assistance* – Preschool attendees, especially those considered at-risk, are less likely to need health and welfare assistance available to severely emotionally disturbed children as well as foster care and adoption services. Also, as adults, they are more likely to be employed and therefore less likely to need economic assistance from the state.

Recent studies conclude that effective preschool programs can create savings to a state's government of an estimated \$13,000 to \$19,000 per child above the cost of the programs themselves.¹³

3. POTENTIAL DRAWBACKS OF PRE-KINDERGARTEN EDUCATION

3.1 Spread of Illness

Because of their susceptibility to disease, young children have a high tendency of contracting and spreading infection. If a young child acquires an illness at school, he or she can pass the illness onto others. When an epidemic strikes, preschoolers may be the first age group widely infected, allowing them to pass the flu on to others who come in contact with them.¹⁴

3.2 Behavior and Expulsion

Pre-Kindergartners have the highest expulsion rate of any other age group. In the 2003-2004 school year, 11 of the 1,337 children participating in Vermont's Early Education Initiative were expelled.¹⁵ In Vermont classrooms, 8.32 out of every 1,000 preschoolers are expelled annually, which is a rate more than eight times greater than Vermont children expelled in grades K-12.¹⁶ In general, it is easier to remove three- or four-year-olds from school because the legal tangles present in higher grade levels are not applicable. Additionally, preschool is not required in most states, teachers have limited resources to control children, and teachers need little proof to expel troublemakers.¹⁷ Pre-Kindergarten expulsion rates are lowest in Head Start programs and in public schools and highest in faith-affiliated centers and for-profit childcare. The likelihood of expulsion decreases significantly with access to classroom-based behavioral consultation.¹⁸ Pre-Kindergarten programs often lack support services to meet the needs of children with severe behavioral problems, and therefore these children are expelled and denied state-provided educational services, only to arrive in kindergarten even farther behind their peers.

Research conducted by the National Bureau of Economic Research showed that students that have been enrolled in a preschool program have greater classroom behavior problems and less self-control than their peers who do not attend preschool. The study also found that while the positive academic effects of preschool programs – such as increased math and reading skills – level off after spring of first grade for 70 to 80 percent of children, the negative behavioral effects persist over time.¹⁹

3.3 Increased Education Costs

Expanding state-funded public education by two years often comes at a cost to taxpayers. The cost depends on the type of program implemented and the amount of children being served. In Vermont, the Public Preschool Partnerships program allows communities to receive funding for preschool through the same Average Daily Membership (ADM) funds that are used statewide to pay for K-12 education. In districts that choose to fund preschool, the amount of funding that is allocated to the provision of two years of pre-kindergarten is high when compared to the relatively lower cost of each of the following thirteen years of public schooling.²⁰ (See Section 4.2 for more information on Public Preschool Partnerships). Typically, the cost of expanding public education by two years requires increased taxes, which can contribute to a lack of public support for state-funded early education.

4. CURRENT EARLY EDUCATION PROGRAMS IN VERMONT

The following sections will explore the group of programs that comprise Vermont’s early education services. The state funds both a means-tested and a universal program, while a range of federally-funded programs also serve three- and four-year-old children and their families.



Table 4.0 Vermont’s State-Funded Pre-Kindergarten Programs in Fiscal Year 2006

	Early Education Initiative²¹	Public Preschool Partnerships²²
Children Served	1,104 children in 135 towns	3,600 (2,800 full time equivalent) in 150 towns
Communities Served	54 percent	61 percent
Eligibility	At-Risk children only	All children at communities’ discretion
Funding	\$1.3 million	\$8.2 million
Cost per pupil	\$1,177	\$2,932
Funding Source	Competitive grants	Average Daily Membership funds
Funding Distribution	To provider	Only to schools
Provider	Schools, private providers, or combination of both	Schools, private providers, or combination of both

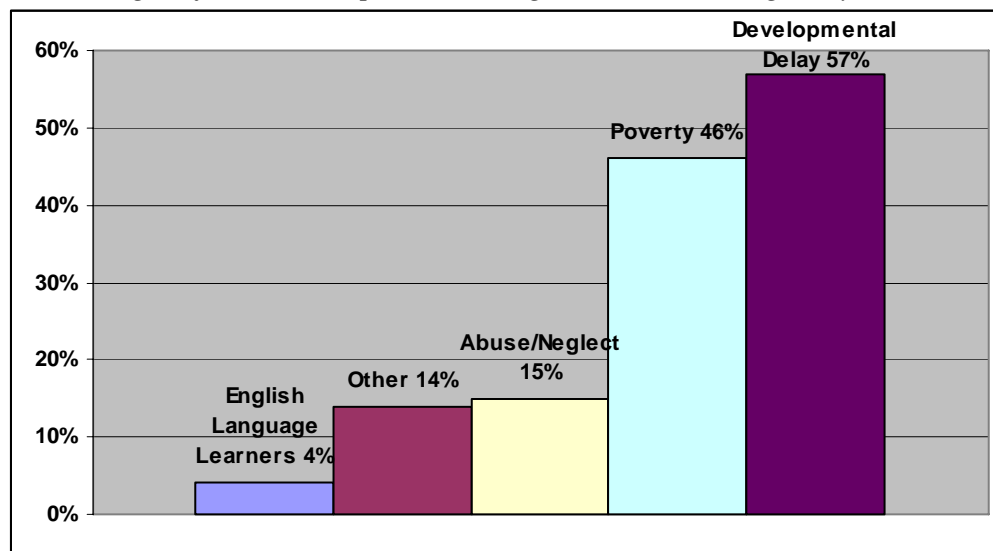
4.1 Early Education Initiative (EEI)

Vermont’s Early Education Initiative was established in 1987 to benefit at-risk children with the goals of increasing kindergarten readiness and augmenting parental involvement in a child’s

early education. The program defines “at-risk” as follows:²³

- *Living in poverty* - The Vermont Department of Education considers children living in families that have incomes equal 185 percent or less of federal poverty guidelines to be at-risk. This is the same standard used to determine Head Start eligibility. (See Appendix A).
- *Development delays of greater than six months* – Federally funded programs often target only the most disadvantaged children. In order to keep children who need help from falling through the cracks, trained professionals engage in intensive observations using a play-based screening model to identify children who are eligible for special education.
- *English-language learners* – Students who learn English as a second language.
- *Children who are abused or neglected* – These cases are found through referrals.
- *“Other”* – Since the original at-risk guidelines were established in 1987, research has demonstrated that there are other risk factors that the Vermont Department of Education has chosen to take into consideration, including exposure to violence or substance abuse in the home, social isolation, incarcerated parents, or having a single teenage parent who has not completed high school.

*Chart 4.1 Percentages of EEI Participants Meeting Each At-Risk Eligibility Criteria**



*Percentages sum to more than 100% because some participants meet multiple criteria.

When it began in 1987, EEI was intended to expand statewide in 1992 with a \$2.5 million program.²⁴ Due to a lack of funds, this expansion never occurred, and EEI grants have not been reopened to competition since the original \$1.3 million budget was exhausted. Funding for EEI programs remains at 1987 levels of \$30,000 per program; when adjusted for inflation, funding has decreased by 34 percent. When paired with an actual 51 percent cost increase in implementing EEI programs, the disparity between program needs and funding contributes to a likely decline in the quality of services provided (usually in intensity and frequency of programs) or number of communities served.²⁵

4.2 Public Preschool Partnerships

Public Preschool Partnerships are funded by the Vermont Education Fund, which in turn is supported by lottery proceeds, nonresidential property taxes, sales taxes, and general appropriations and is supplemented by local revenue which makes up the remainder of education costs.²⁶ Public Preschool Partnerships program funding is given directly to schools, which can then distribute the money to local private providers on the basis of enrollment as necessary.

There are significant fiscal concerns to any community weighing the potential costs and benefits of implementing universal pre-kindergarten program. When a community chooses to expand its education program to include pre-kindergarten, it is eligible to receive increased ADM funds from the state. ADM funds, though, are directly related to a town's property tax rate; when a community receives more ADM funds, they in turn are required to pay higher property taxes. Vermont's ADM funds are distributed according to a student census taken by attendance – not enrollment – during the first 40 days of the school year. This census number is then divided into the school's voter-approved annual budget, which produces a cost per pupil, known as an "equalized pupil cost."

If a district's equalized pupil cost exceeds Vermont's current base rate of \$7,330 per pupil, property taxes increase. Conversely, if the equalized pupil cost for a town is lower than the state's base rate, property taxes decline. In addition to these economic concerns, some communities may not have the facilities within their public school system or qualified private providers in the area to accommodate a wide provision of pre-kindergarten programs. A lack of qualified private providers is an increasing concern in light of the Act 186 requirement that districts implementing pre-kindergarten programs for the first time must contract with private providers.

4.3 Head Start

Head Start, created in 1964, is the product of a child development panel that sought to meet the needs of disadvantaged preschool children. A federally-funded program, Head Start is administered through local, community-based, non-profit organizations, and also through school systems. It provides a variety of personalized services to increase the school readiness of young children (from birth to age five) and their low-income families.²⁷ These services include early childhood development, education, dental, mental and medical healthcare, and nutrition assessments.

Head Start provides services that are also "responsive and appropriate to each child's and family's developmental, ethnic, cultural, and linguistic heritage and experience." To assess who qualifies for the program, Head Start uses 185 percent of the Federal Poverty Guidelines (see Appendix A). Head Start is sometimes criticized for its failure to keep up with changing standards of early education. For example, a study conducted by the National Institute for Early Education Research exhibited that Head Start teachers are not held to the same qualifications as their public school counterparts, and are typically only paid half the average salary of public school teachers.²⁸

Vermont currently has 63 Head Start locations being administered through both school districts

and independent providers. In fiscal year 2002, Vermont received just over \$13 million from the federal government to fund Head Start for 1,573 children, amounting to roughly \$8,000 per student.²⁹ In fiscal year 2005, Vermont received \$13.4 million for Head Start programs and the number of enrollees dropped to 1,569, resulting in an increase in spending to roughly \$8,500 per student.³⁰

4.4 Other Federal Programs

Federal funds also contribute to early education in Vermont, through other programs:

- *Essential Early Education (EEE)* – This program is available to children ages three through five with special education needs. It is implemented through coordination of local school districts and early childhood service providers to ensure inclusive educational environments.³¹ In fiscal year 2006, EEE funding totaled approximately \$4.4 million.³²
- *Even Start Family Literacy* – Even Start integrates adult, parenting, and early childhood education into a family literacy program in order to break the cycle of poverty and low literacy between generations. These programs support educational achievement and economic self-sufficiency through educational services available primarily to children from birth to age seven and their parents, based on a family’s level of economic and educational needs. Even Start has been cut by close to 50 percent nationally for fiscal year 2007, and currently sponsors only six programs throughout Vermont.³³ In 2006, approximately \$1 million was spent on Even Start in Vermont.³⁴
- *Family, Infant, and Toddler Project of Vermont* – The project is a family-centered coordinated system that provides intervention services for infants and toddlers with disabilities and their families as provided for by Part C of the Individuals with Disabilities Education Act (IDEA). Spending on the Family, Infant, and Toddler Project reached \$3.2 million in fiscal year 2006.³⁵
- *Title I Preschool* – A number of Vermont’s school districts receive federal funds to provide compensatory education services to children who are considered at-risk or disadvantaged. These Title I funds may be used to support a school program for these children. Three- and four-year-olds who qualify for migrant status are eligible to receive federally-funded early education.

In certain cases, state-funded programs like EEI are layered with federal programs. For example, for many years, Head Start has segregated low-income children from their middle- and high-income peers. Vermont does not promote segregation on any basis, and therefore layers programs with Head Start in order to promote a more inclusive learning environment. Also, federal law requires that children with disabilities be provided education in the least restrictive environment possible, which means that children with disabilities must learn in a classroom where 50 percent of the children do not have disabilities.³⁶ In order to meet this standard, programs for children with disabilities are often layered with programs that reach a wider range of children.

The abovementioned layering of programs obviates the difficulty in quantifying many important aspects of Vermont’s early education system. Currently, it is unknown in many cases to what

extent certain students are receiving both federal and state services, and how many students in the enrollment totals for each program (in cases where these statistics are available) are being funded by multiple sources.

5. PRE-KINDERGARTEN POLICY OPTIONS

Many experts argue that high-quality, educational childcare is one of the most effective methods of increasing school performance later on in students' academic careers.³⁷ Still, the debate continues over which method of implementation is the most effective and cost-efficient.

5.1 *Status Quo*

EEI's success to date was documented by the Vermont Department of Education in "The Vermont Early Education Initiative 2005-06 Year End Report." The program's goal to help children who would have likely "fallen through the cracks" was met, as 78 percent of children served by EEI in 2006 had not had any previous early childhood education. Furthermore, 65 percent of the children who participated in EEI in fiscal year 2006 demonstrated positive gains in their development.³⁸

Despite these positive outcomes, EEI programs only reaches 54 percent of Vermont communities, which raises the question of how many children across the state might be eligible for EEI programs but are not currently being served. Of the 44 towns providing EEI programs, 23 programs reported an inability to enroll all interested or eligible children. There were 297 children placed on informal waiting lists for EEI programs, a 20 percent increase from 2003-04. These figures reveal a gap in the current implementation of EEI that can be addressed only on the state level through a re-evaluation of the competitive grant programs.

On the other hand, the initiation of Public Preschool Partnerships programs is the choice and responsibility of school districts and communities on the local level. Therefore, there is a limited role for the state of Vermont to play in the expansion of these programs. The status quo would continue to allow communities to voluntarily implement this somewhat universal program through the utilization of ADM funding at the risk of increased property taxes.

5.2 *Means-Tested Early Education*

Means-tested or targeted pre-kindergarten programs like EEI have distinct advantages that make them attractive to policymakers:³⁹

- *Efficiency and Low Cost* – Since at-risk children appear to receive the largest benefits from pre-kindergarten, targeted programs provide early education to only those populations who benefit the most. Targeted programs also cost communities less because of the smaller number of children being served.
- *Quality* – Because they serve a relatively small number of children, targeted programs are less likely to dilute quality by spreading limited resources.

The largest projects funded by the federal government have been Head Start, preschool special education, and means-tested childcare subsidies. All but ten states fund some form of preschool

initiatives, the majority of them targeting children at risk for poor achievement due to poverty or other factors.⁴⁰ In 2000, 26 states had pre-kindergarten programs with eligibility requirements based on income, and 21 states used "risk factors" to determine eligibility. In many cases, a state's program will fall into both categories and therefore will be included in both totals. For example, Vermont's EEI is included as a pre-kindergarten program where eligibility is based on both income and risk factors.⁴¹

Means-tested programs tend not to reach all of the targeted population. This could happen as a result of a program's budgetary constraints, highly stringent poverty requirements, the voluntary nature of programs, or the inability to identify all members of a targeted group. Also, targeted populations can fluctuate as the economy, family circumstances, and a child's ability level changes. Furthermore, these programs often serve children who are not part of the target population. If large numbers of children who do not meet requirements are mistakenly served by means-tested programs and potential beneficiaries are overlooked, the economic gains from targeting diminish and could potentially render means-testing less efficient than a universal program.⁴²

Arguments against targeted programs include the following:⁴³

- *They may be just out of reach.* Families that struggle financially but are just above the cutoff for eligibility are unable to enroll in targeted programs and cannot afford private programs.
- *Disruptions occur as family status changes.* Changes in a parent's work status, income, or home address can change eligibility.
- *They may not reach intended recipients.* Some families who qualify for services will not enroll children, perhaps due to "red tape" involved in demonstrating eligibility or from stigma associated with a distaste for "welfare" programs. On the contrary, other families who do not qualify will "work the system" to get their children enrolled.
- *Middle-income children who could benefit are excluded.* The benefits may be less extreme than for "at-risk" children, but high-quality preschool has also demonstrated benefits for middle-income children.
- *They incur other hidden costs.* Bureaucracies established to monitor eligibility for thousands of children could be very labor-intensive and costly.

5.3 Universal Early Education

Universal programs, such as Public Preschool Partnerships, extend early education to the entire pre-kindergarten population, giving every child the opportunity of attending preschool. Overall, it has been found that the benefits of providing access to high-quality preschool education to all children may be more economically efficient and educationally effective than targeted programs. In theory, targeted programs avoid shifting costs to the taxpayers for families who can already afford preschool programs. In practice, universal programs have shown to be more effective at providing early education to the intended children at the lowest cost per student.⁴⁴

The following are concerns associated with the implementation of universal pre-kindergarten programs:⁴⁵

- *Costs* - Universal pre-kindergarten program costs are significantly greater in total than means-tested programs because more children are served.
- *Quality* - When limited funds are spent on a larger group of students, spending per pupil could potentially decrease, limiting the quality of the education provided. The same amount of money could be used to give the best possible education to disadvantaged students who have no access to private child care and would begin kindergarten developmentally behind their peers without state intervention.
- *Public Support* – There are two competing arguments about universal education. In some cases, universal pre-kindergarten is more widely supported because it affects more children. In others, people are reluctant to pay for preschool for families who could have afforded it regardless of public funding.
- *Diversity of Choice* – Implementing universal pre-kindergarten in some cases eliminates the ability of families to choose a provider in a “free market.”
- *Accountability* – When parents choose an early education program for their children, they determine for themselves what credentials and quality standards matter to them. When a state takes over credentialing, one-size-fits-all curriculums may be established.

*Case Study: Georgia’s Universal Pre-Kindergarten Program*⁴⁶

In 1993, Georgia began funding a universal pre-kindergarten program that is subsidized with earmarked proceeds from a state lottery. The program is available to any four-year-old in the state and is offered through a diverse network of public schools, private and nonprofit preschool programs, and Head Start agencies. The system maintains its quality by setting health and safety, teacher qualification, and class size compliance standards in order for providers to receive state funding. In addition, an incentive program augments funding rates for providers that exceed minimum requirements.

While enrollment in Georgia’s program is optional, nearly 80 percent of four-year-olds in the state are enrolled in either a Head Start or universal pre-kindergarten program. Studies conducted by the University of Georgia and Georgia State University found that the pre-kindergarten students in Georgia were better prepared for school than their peers nationwide. Additionally, the pre-kindergarten system successfully erased the skills gap between students participating in universal pre-kindergarten and their peers who attended private programs. Further, the results of the Georgia State University study exhibited that students considered to be living in poverty who attended the state’s universal program scored higher than their peers in Head Start.

The primary reason for the success of Georgia’s universal pre-kindergarten program is considered to be its consistently high quality. Its efforts in monitoring, technical assistance and training support contribute to its quality, and its focus on school readiness, language development, and cognitive skills directly provide for later school success.

6. COSTS OF EXPANSION

Currently, there are an estimated 14,100 three- and four-year-olds in Vermont and at least 7,000 of those children are not enrolled in a pre-kindergarten program.⁴⁷ Existing frameworks for early education in Vermont could be built upon through the expansion of Vermont’s Early Education Initiative and Public Preschool Partnerships.

*Table 6.1 Expanding Vermont’s Existing Early Education Programs**

Program	Eligible	Served	Not Served (Eligible–served)	Cost per pupil (FY 2006 spending ÷ FY 2006 served)
Early Education Initiative (poverty standards)	4,400	511	3,900	\$1,177
Public Preschool Partnerships	9,700	3,600	6,100	\$2,932

*Figures are best estimates

6.1 Expanding Vermont’s Early Education Initiative

Approximately 31 percent of three- and four-year-olds in Vermont (or nearly 4,400 children) are living at or below the national poverty line and are therefore eligible for the Early Education Initiative funding. This estimate is extrapolated from known figures about the poverty levels of K-12 students.⁴⁸ Only 511 of these 4,400 children are currently enrolled in EEI, leaving approximately 3,900 children not served. By dividing fiscal year 2006 spending by the number of children served, it costs approximately \$1,177 per child to attend pre-kindergarten. Assuming that program costs increase constantly with each child enrolled, it would cost over \$4 million to expand EEI to serve all Vermont children eligible by poverty standards.

Considering that children living in poverty accounted for only 46 percent of EEI participants in 2005-06, it can be assumed that the costs of expansion of EEI to all children eligible under the range of “at-risk” criteria would be substantially larger. Unfortunately, there are no figures currently available for three- and four-year-olds who qualify for, but are not served by, EEI under other eligibility criteria, such as risk of abuse or neglect or English language learners.

6.2 Expanding Vermont’s Public Preschool Partnerships

In fiscal year 2006, \$8.2 million was allocated towards Public Preschool Partnerships. Of the approximate 9,700 children eligible for this program and not eligible for EEI, only 3,600 are already served, leaving approximately 6,100 children left out of state-funded early education.⁴⁹ According to ADM funding figures, it costs approximately \$2,932 per child to fund the Public Preschool Partnerships.⁵⁰ Assuming that program costs increase constantly with each child enrolled, it would cost over \$17 million to expand Public Preschool Partnerships to the entire early education population.

The limitation of discussing expansion is the complexity of Vermont’s current early education programming. The extent to which EEI and Public Preschool Partnerships are overlapping with one another or with federally-funded programs, such as Head Start, is unknown. The projected

costs of expansions assume that EEI and Public Preschool Partnerships are mutually exclusive and those students being served by one would not be served by the other. More research is needed to get a better idea of how many *different* students are being served by each of Vermont's early education programs. Furthermore, it is important to note that participation in Vermont's current early education system is voluntary, and therefore the figures for children who are not served do not necessarily reflect the actual number of children whose parents would choose to enroll them in a pre-kindergarten program if it were available.

7. POTENTIAL FUNDING SOURCES

There are a number of federal programs administered through the U.S. Department of Health and Human Services supporting early childhood care and education that can be accessed by a state:⁵¹

- *Child Care Development Fund (CCDF)* – The CCDF provides funds to states for childcare. The majority of these funds are spent on children five years of age or younger. Four percent of CCDF must be spent on childcare quality improvement, while 75 percent are distributed through vouchers or certificates. In fiscal year 2002, the CCDF received \$4.8 billion in funding.
- *Temporary Assistance for Needy Families (TANF)* – TANF funding is administered through the states and providers almost \$4 billion in child care throughout the U.S. TANF allows states flexibility to transfer up to 30 percent of funds to CCDF programs and spend additional funds directly on child care. In fiscal year 2005, the state of Vermont received \$11.2 million.⁵²
- *Social Services Block Grant (SSBG)* – These block grants fund a broad range of social services and can be distributed in a variety of ways. SSBG accounted for approximately \$1.8 billion in expenditures in fiscal year 2000 in the U.S. In fiscal year 2005, Vermont received \$4.7 million in SSBG funding to benefit both early education and K-12 education as a subset of the TANF grant.⁵³
- *Early Reading First* – Established by the No Child Left Behind Act, Early Reading First provides grants for school districts and individual projects on a competitive basis. These grants are funded primarily for the development of model programs that support school readiness for preschool aged children, particularly those from low-income families. Vermont received an initial grant of \$2.2 million in 2003, and can work towards an additional \$14 million until 2009 through continued support of comprehensive, high-quality, researched-based reading programs.⁵⁴
- *Special Education Preschool Grants and State Grants* – These are formula grants to states for special education and preschool programs for three- to five-year-olds with disabilities in order to provide a bridge between early intervention and elementary services. Federal funding for this program is \$500 million annually.

When evaluating the available funding opportunities, it is difficult to predict what percentage of Vermont's early education expenditures could be paid for by federal grants. The eligibility requirements for federal funding vary and the extent to which Vermont could benefit will depend

on the type of programs Vermont chooses to implement and the current amount Vermont already receives from these funding sources. Additionally, the grants are not often awarded at a set amount; each grant is awarded based on the individual needs of the state. There are many variables to consider regarding the amount of funding Vermont is eligible to receive through federal grants, which constrains the extent to which predictions can be made regarding federal support for a proposed change in Vermont's early education programs.

8. CONCLUSION

Vermont's early education program as it currently stands is fragmented; with many small programs creating a complex web of funding, there is an unquantifiable overlap in funding and implementation. With such a plethora of programs, it is difficult to pinpoint exactly how many children are being served by each program. Changes to existing policies will be difficult to pursue until complete information is available on the state's current programs. Vermont may choose to maintain the status quo and look at improving the quality and efficiency of the programs already offered, or, in light of evidence of the benefits of pre-kindergarten for all children, could expand its current programs. This could be accomplished by expanding services to "at-risk" children through means-testing, or through a universal, all-inclusive approach. Either expansion option will be at an additional cost to the taxpayers of Vermont.

Appendix A – United States Department of Health & Human Services Poverty Guidelines

Table 1. HHS Poverty Guidelines

Persons in Family or Household	48 Contiguous States and D.C.	Alaska	Hawaii
1	9,800	12,250	11,270
2	13,200	16,500	15,180
3	16,600	20,750	19,090
4	20,000	25,000	23,000
5	23,400	29,250	26,910
6	26,800	33,500	30,820
7	30,200	37,750	34,730
8	33,600	42,000	38,640
For each additional person, add	3,400	4,250	3,910

Table 2. 185% HHS Poverty Guidelines: Used to determine Head Start and EEI eligibility

Persons in Family or Household	48 Contiguous States and D.C.	Alaska	Hawaii
1	18,130	22,662.5	20,849.5
2	24,420	30,525	28,083
3	30,710	38,387.5	35,316.5
4	37,000	46,250	42,550
5	43,290	54,112.5	49,783.5
6	49,580	61,975	57,017
7	55,870	69,837.5	64,250.5
8	62,160	77,700	71,484
For each additional person, add	6,290	7,862.5	7,233.5

SOURCE: <http://aspe.hhs.gov/poverty/06poverty.shtml>

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