



# Investing in Pre-K: Frequently Asked Questions

## November 2014

### Why should Montana invest in pre-K?

- Montana can afford to invest in its youngest learners and will experience significant dividends on that investment. An investment is expected to cost \$15-20 million per year, for economic returns of over \$100 million for each year it invests.<sup>1</sup>
- For every dollar Montana invests in pre-K, it will experience significant economic returns in the long run.
  - Students will be better prepared for kindergarten, reducing the need to repeat grades and cutting costs for special education.
  - Parents are more productive with reliable, quality child care, and this results in greater earnings and a stronger workforce for employers.
  - Participants are more likely to graduate high school, attend college, less likely to be involved in the criminal justice system, and will earn more over their lifetimes.

### What does quality pre-K really mean?

- Pre-K programs provide voluntary educational opportunities for children before kindergarten.
- Pre-K programs vary from state to state, but often include educational programs for four-year-olds, on a part-time basis.
- To ensure the greatest return on state investment, pre-K programs must be quality. Typical standards defining quality include<sup>2</sup>:
  - A high teacher-to-student ratio, with at least one teacher for every ten children;
  - Teachers with a degree in early childhood development;
  - Comprehensive early learning standards, tailored to preschool-age children;
  - A healthy and safe environment; and
  - Support services for families and parents.

### How are pre-K programs delivered to participating children?

- Forty-two states have invested in pre-K, and each state established its own model for delivering pre-K programs.
- Over half of states provide pre-K programs through the public schools.<sup>3</sup>
- Many states, such as Oklahoma, New Mexico, and West Virginia, formed private-public partnerships, where school districts contract with private pre-K providers.
- In a mixed-delivery system, where public schools partner with private providers, pre-K classrooms may be located within existing community preschools, at elementary schools, or both.

## How does pre-K impact a child participant?

- Children who attend quality pre-K programs are more likely to enter kindergarten ready to learn.
- Children experience improvements in vocabulary and early math skills.<sup>4</sup>
- Children learn interpersonal skills, such as being able to pay attention and focus.<sup>5</sup> When children are better prepared for school, it means less disruption in the classroom and all children benefit.
- Those who attend quality pre-K are more likely to graduate high school, attend college, and earn more over their lifetime.<sup>6</sup>

## Do the positive effects of pre-K last?

- Research shows that when a program is designed properly, emphasizing small group learning and individualized teaching, the increased cognitive skills have a lasting impact.<sup>7</sup> These cognitive skills translate into higher graduation rates, higher college-going rates and increased earnings over the child's lifetime.
- Most importantly, the cognitive benefits for the most at-risk children attending pre-K last a lifetime.<sup>8</sup>
- Our public education system spends over \$80 million in state and federal funds on special education.<sup>9</sup> By investing in pre-K, the state can reduce special education costs by reaching children earlier and ensuring they are prepared to enter kindergarten ready to learn.<sup>10</sup>

## How does investing in pre-K help families?

- Quality pre-K programs can strengthen families and provide working parents the ability to stay in the workforce.
- More than 60 percent of children reside in households where all parents work.<sup>11</sup>
- Child care in Montana is expensive: the average cost for a four-year-old to attend child care is \$7,518, roughly 13 percent of the average Montana family's yearly income and more than one-fourth of the average income for a single mother.<sup>12</sup> The cost of child care for a four-year-old now exceeds the annual cost of tuition at a Montana university.
- State investment in pre-K can help offset these costs and make working more feasible for families.

## How does investing in pre-K help businesses?

- Business also benefit from investment in pre-K.
- Employers cite child care issues as causing more problems than any other family-related issue in the workplace. Productive and qualified employees are often forced to leave their jobs because of child care problems.<sup>13</sup>
- Dependable child care increases productivity and reduces absenteeism among working parents.<sup>14</sup>
- Businesses will also benefit from a more skilled workforce in the future. Business executives, such as the president of the Washington Corporation, support investment in pre-K to produce a more skilled workforce in the long-term.<sup>15</sup>

### **How does investing in pre-K help the state economy?**

- Improved cognitive skills translate to less spending on special and remedial education later.
- Investment in pre-K also results in reduced crime rates and spending on criminal justice.<sup>16</sup>
- Participants in pre-K programs earn more over their lifetime, resulting in a more productive society.<sup>17</sup>

### **What preschool programs are currently available in Montana?**

- Many school districts across the state currently provide pre-K to some students beyond required special education services; however, the demand far outweighs the current supply.<sup>18</sup> For example, school districts in Great Falls, Hardin, and Hamilton have established quality pre-K programs to better prepare four-year-olds to enter school ready to learn.
- There are also a number of existing private preschool programs across the state, but Montana does not track the number of pre-K providers nor does it monitor the quality of these programs.

### **How will this impact existing private child care providers?**

- Montana can design a pre-K program to partner with current quality pre-K providers.
- States such as Oklahoma and New Mexico created strong public-private partnerships to deliver pre-K services. For example, about half of children participating in state-supported pre-K in New Mexico enrolled with private providers.<sup>19</sup>
- Many quality child care providers are experiencing wait lists, so an investment in pre-K should serve to expand, not displace, existing quality services to meet increasing demand.
- In other states with similar models, private providers use state dollars to improve their programs and further develop their workforce. Other providers have shifted their program to serve children in the hours that preschool is not offered and/or to serve more children in the zero-to-three age group.
- States like Georgia and Oklahoma experienced an increase in the amount of formal child care providers, especially in rural areas, after the adoption of universal preschool policies, as parents could better afford full-time child care services with access to subsidized part-time care for their four-year-old children.<sup>20</sup>

### **Where does the 7-to-1 benefit-cost ratio come from and what does it mean?**

- This ratio means that for every \$1 of public investment into pre-K, the society as a whole receives at least \$7 in economic returns in the long-term. This benefit-cost estimate comes from well-established and peer-reviewed studies of the HighScope Perry Preschool Program and the Chicago Child-Parent Centers.<sup>21</sup>
- This is a conservative estimate. Other studies have shown even higher benefit-cost ratios of 11-to-1 and 16-to-1.<sup>22</sup>

## How will this impact Head Start programs?

- State investment in pre-K offers a school district the opportunity to work with Head Start programs to extend existing services or open up additional classrooms for children from low-income families who may be on Head Start waiting lists.
- In 2013, about 4,600 Montana children (ages 3-5) participated in Head Start and Tribal Head Start programs.<sup>23</sup> However, many communities do not have access to Head Start facilities, and existing programs often experience long waiting lists each year.
- Eligibility for Head Start is limited to families experiencing poverty, or those earning approximately \$23,850 in annual income for a family of four.<sup>24</sup> Income limits leave many families ineligible for Head Start yet unable to afford quality child care.
- State investment in pre-K will help serve those children who may be on a waiting list or who may not be eligible for Head Start, yet struggle to afford private preschool services.

## Do the economic benefits of pre-K exist for both targeted and universal programs?

- All children should be ready to succeed in school.
- While the greatest economic returns stem from providing quality pre-K to the most disadvantaged children, studies show that all children benefit from pre-K.<sup>25</sup> Programs providing pre-K to all children, such as those in Oklahoma, have produced significant economic returns.
- Universal programs tend to do a better job at identifying and reaching all targeted children.<sup>26</sup> For example, Iowa expanded its program to all four-year-old children in 2008 and has experienced significant increase in enrollment, from only 4 percent in 2007 to 60 percent of all four-year-olds in 2013.<sup>27</sup>
- Furthermore, when you provide pre-K services to all children, the total return to the economy is greater because the program is reaching a greater number of children.

## How do states ensure public funds are invested in quality programs?

- Every state that invests in pre-K has established requirements to ensure participating pre-K programs meet comprehensive early learning standards.<sup>28</sup>
- Over half of state-funded pre-K initiatives require pre-K teachers to hold a bachelor's degree and acquire specialized training in early childhood development.<sup>29</sup>
- Eighty-seven percent of state-funded pre-K programs have a staff-to-child ratio of 1-to-10 or better, and 60 percent of programs receive regular site visits to ensure quality.<sup>30</sup>

---

<sup>1</sup> Montana Budget & Policy Center, "Strengthen Families, Strengthening Our Economy: The Economic Benefits of Pre-K," September 2014, [http://www.montanabudget.org/economic\\_benefits\\_of\\_pre-k/](http://www.montanabudget.org/economic_benefits_of_pre-k/).

<sup>2</sup> W. Steven Barnett, Barnett, W.S., Carolan, M.E., Squires, J.H., Clarke Brown, K. (2013). *The state of preschool 2013: State preschool yearbook*. New Brunswick, NJ: National Institute for Early Education Research, <http://nieer.org/sites/nieer/files/yearbook2013.pdf>

<sup>3</sup> W. Steven Barnett, Barnett, W.S., Carolan, M.E., Squires, J.H., Clarke Brown, K. (2013). *The state of preschool 2013: State preschool yearbook*. New Brunswick, NJ: National Institute for Early Education Research, <http://nieer.org/sites/nieer/files/yearbook2013.pdf>

<sup>4</sup> W. Steven Barnett, "Long -Term Effects of Early Childhood Programs on Cognitive and School Outcomes," *The Future of Children*, Winter 1995, [http://www.princeton.edu/futureofchildren/publications/docs/05\\_03\\_01.pdf](http://www.princeton.edu/futureofchildren/publications/docs/05_03_01.pdf)

- 
- <sup>5</sup> James J. Heckman, "Invest in early childhood development: Reduce deficits, strengthen the economy," <http://heckmanequation.org/content/resource/invest-early-childhood-development-reduce-deficits-strengthen-economy>.
- <sup>6</sup> For example, the Chicago Child-Parent Centers study showed that the program reduced high school dropouts by 24 percent. The HighScope Perry Pre-School program resulted in a 25 percent reduction in high school dropouts. Clive R. Belfield, Patrick McEwan, "An Economic Analysis of Investments in Early Childhood Education in Massachusetts," October, 2004. <http://www.recognitionandresponse.org/images/downloads/resources/Economic2/economic%20analysis%20of%20investment%20s-ma.pdf>
- <sup>7</sup> W. Steven Barnett, "Getting the Facts Right on Pre-K and the President's Pre-K Proposal," National Institute for Early Education Research, February 2013. <http://www.nieer.org/sites/nieer/files/Getting%20the%20Facts%20Right%20on%20Pre-K.pdf>
- <sup>8</sup> Julia Isaacs, "Research Brief #1: State Pre-Kindergarten," Brookings Institute Center on Children & Families, September 2008, [http://www.brookings.edu/~media/Research/Files/Papers/2008/9/early%20programs%20isaacs/09\\_early\\_programs\\_brief1.PDF](http://www.brookings.edu/~media/Research/Files/Papers/2008/9/early%20programs%20isaacs/09_early_programs_brief1.PDF).
- <sup>9</sup> Montana Legislative Fiscal Division, "Legislative Fiscal Report: 2015 Biennium," June 2013, <http://leg.mt.gov/content/Publications/fiscal/FR-2015/Section%20E/3501-09.pdf>.
- <sup>10</sup> Clive R. Belfield, Patrick McEwan, "An Economic Analysis of Investments in Early Childhood Education in Massachusetts," October, 2004. <http://www.recognitionandresponse.org/images/downloads/resources/Economic2/economic%20analysis%20of%20investment%20s-ma.pdf>
- <sup>11</sup> Bureau of Labor Statistics, "Employment Characteristics of Families, 2013," April 25, 2014, <http://www.bls.gov/news.release/famee.nr0.htm>.
- <sup>12</sup> Montana Budget and Policy Center, "The High Cost of Child Care: State Funding for Pre-K Would Benefit Montana Families," May 2014, <http://www.montanabudget.org/wp-content/uploads/2014/05/HighCostofChildCare.pdf>
- <sup>13</sup> U.S. Department of Treasury, "Investing in Child Care: Challenges Facing Working Parents and the Private Sector Response," <http://www.treasury.gov/press-center/press-releases/Documents/chdcare.pdf>.
- <sup>14</sup> Charles Bruner, "Many Happy Returns: Three Economic Models that Make the Case for School Readiness," State Early Childhood Policy Technical Assistance Network, December 2004, <http://www.recognitionandresponse.org/images/downloads/resources/Economic2/many%20happy%20returns.pdf>
- <sup>15</sup> *The Missoulian*, "Editorial: Investment in early education will pay off exponentially," June 1, 2014, [http://missoulian.com/news/opinion/editorial/missoulian-editorial-investment-in-early-education-will-pay-off-exponentially/article\\_54b43982-e822-11e3-ac42-001a4bcf887a.html](http://missoulian.com/news/opinion/editorial/missoulian-editorial-investment-in-early-education-will-pay-off-exponentially/article_54b43982-e822-11e3-ac42-001a4bcf887a.html).
- <sup>16</sup> W. Steven Barnett, National Institute for Early Education Research, "Benefits of Preschool for All," January 2006. <http://nieer.org/resources/files/Benefits.pdf>.
- <sup>17</sup> Arthur J. Reynolds, Judy A. Temple, and Dylan L. Robertson, et al. "Age -26 Cost-Benefit Analysis of the Child-Parent Center Early Education Program," 2011, <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3817956/>
- <sup>18</sup> *Great Falls Tribune*, "Bullock promotes 'early edge' plan for kids," October 15, 2014, <http://www.greatfallstribune.com/story/news/local/2014/10/14/bullock-promotes-early-edge-plan-kids/17271315/>.
- <sup>19</sup> W. Steven Barnett, Barnett, W.S., Carolan, M.E., Squires, J.H., Clarke Brown, K. (2013). *The state of preschool 2013: State preschool yearbook*. New Brunswick, NJ: National Institute for Early Education Research, <http://nieer.org/sites/nieer/files/yearbook2013.pdf>
- <sup>20</sup> Daphna Bassok, Maria Fitzpatrick, and Susanna Loeb, "Does State Preschool Crowd-Out Private Provision? The Impact of Universal Preschool on the Childcare Sector in Oklahoma and Georgia," National Bureau of Economic Research, Working Paper No. 18605, December 2012, <http://www.nber.org/papers/w18605>.
- <sup>21</sup> Arthur J. Reynolds, Judy A. Temple, and Dylan L. Robertson, et al. "Age -26 Cost-Benefit Analysis of the Child-Parent Center Early Education Program," 2011, <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3817956/> and HighScope Perry Preschool Study, "Lifetime Effects: The HighScope Perry Preschool Study Through Age 40 (2005)," <http://www.highscope.org/content.asp?contentid=219>
- <sup>22</sup> W. Steven Barnett, "Getting the Facts Right on Pre-K and the President's Pre-K Proposal," National Institute for Early Education Research, February 2013. <http://www.nieer.org/sites/nieer/files/Getting%20the%20Facts%20Right%20on%20Pre-K.pdf>
- <sup>23</sup> U.S. Health and Human Services, 2012-2013, Head Start Program Information Report, Region 8 and Region 11, Montana, February 20, 2014, on file with author.
- <sup>24</sup> Benefits.gov, "Montana Head Start: General Program Requirements," retrieved on October 23, 2014, <http://www.benefits.gov/benefits/benefit-details/1921>.
- <sup>25</sup> Timothy J. Bartik, "From Preschool to Prosperity: The Economic Payoff to Early Childhood Education," W.E. Upjohn Institute for Employment Research, Kalamazoo, Michigan, 2014, <http://www.upjohninst.org/Publications/Titles/FromPreschooltoProsperity>.
- <sup>26</sup> W. Steven Barnett, Kristy Brown and Rima Shore, "The Universal vs. Targeted Debate: Should the United States Have Preschool for All?," National Institute for Early Education Research, April 2013, <http://nieer.org/resources/policybriefs/6.pdf>.

- 
- <sup>27</sup> “Pre-K Enrollment across the United States,” <http://edr.state.fl.us/content/conferences/vpk/PreKOtherStates.pdf>, see also, W. Steven Barnett, Barnett, W.S., Carolan, M.E., Squires, J.H., Clarke Brown, K. (2013). *The state of preschool 2013: State preschool yearbook*. New Brunswick, NJ: National Institute for Early Education Research, <http://nieer.org/sites/nieer/files/yearbook2013.pdf>.
- <sup>28</sup> W. Steven Barnett, Barnett, W.S., Carolan, M.E., Squires, J.H., Clarke Brown, K. (2013). *The state of preschool 2013: State preschool yearbook*. New Brunswick, NJ: National Institute for Early Education Research, <http://nieer.org/sites/nieer/files/yearbook2013.pdf>
- <sup>29</sup> W. Steven Barnett, Barnett, W.S., Carolan, M.E., Squires, J.H., Clarke Brown, K. (2013). *The state of preschool 2013: State preschool yearbook*. New Brunswick, NJ: National Institute for Early Education Research, <http://nieer.org/sites/nieer/files/yearbook2013.pdf>.
- <sup>30</sup> W. Steven Barnett, Barnett, W.S., Carolan, M.E., Squires, J.H., Clarke Brown, K. (2013). *The state of preschool 2013: State preschool yearbook*. New Brunswick, NJ: National Institute for Early Education Research, <http://nieer.org/sites/nieer/files/yearbook2013.pdf>.