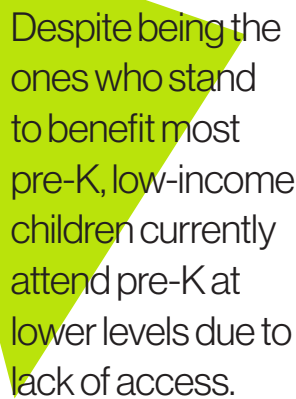


Expanded Pre-K Education:

An evidence base is emerging that demonstrates significant ROI for universal Pre-K, but the quality and execution of programs are critical to success.





Despite being the ones who stand to benefit most pre-K, low-income children currently attend pre-K at lower levels due to lack of access.

Education and economic prosperity

As technology and global competition have reshaped the economy, educational attainment has become a crucial determinant of individual and regional economic success. States with the highest levels of educational attainment have the highest per capita income. Almost all the economic gains since the Great Recession have gone to demographic groups with high educational attainment. There is now a clear premium on improving education.

The traditional focus on secondary and post-secondary systems is too narrow for improving education. There are well-documented disparities in K-12 education, but even that is too narrow a lens. Studies show that lower income children are already at a disadvantage when they enter kindergarten, lagging behind their wealthier peers before they have even started. This disparity in starting points creates an educational attainment gap which, on average, they never close. Helping students start school on equal footing can be a key first step to creating more equal access to opportunity and higher overall outcomes for a region.

The benefits of expanded public pre-k extend well beyond low-income children. As more parents work outside the home, a trend that has been on the rise since the 1970s, childcare plays a larger role in the developmental progress of preschool-aged children. High childcare costs (\$13,000 per year by some estimates) force many parents to make difficult choices between substandard care (e.g., poor safety or educational supports for childcare) and reducing economic opportunity (e.g., cutting back on paid work to care for their children).

In contrast, high-quality pre-K has been shown, in limited cases, to increase high school graduation rates and lifetime earnings, and to reduce contact with the criminal justice and social welfare systems. These outcomes would be powerful benefits to individuals, governments, and regions in aggregate.

The need for expanded early education

Expanded pre-K is most impactful for children who already face barriers to economic and social mobility. Research has demonstrated greater gains from pre-K attendance for children from low-income families and dual-language learners than for wealthier and English-proficient children. Despite being the ones who stand to benefit most pre-K, low-income children currently attend pre-K at lower levels due to lack of access. As of 2010, less than half of children in families in the lowest income quartile were enrolled in any center-based early childhood education programs.

This need is so well acknowledged by policymakers that there are long standing federal programs to deliver this service. Head Start, the main federally-funded program, has been providing pre-K options to low-income families for over 50 years. Unfortunately, funding constraints limit the program's availability, serving less than half of children whose families qualify.

Responding to the unmet need for seats and outsized impact for vulnerable families, 42 states and the District of Columbia currently invest in some form of expanded pre-K option. These states and municipalities see how important a child's development is in their early years and the impact high quality education has on their future success and contributions. But not all programs are equal, and not all are delivering the same results or cost efficiency.

Economic impacts of pre-K expansion

While the data are still sparse, a few studies have shown that pre-K can deliver tantalizing economic and societal benefits. Graduates of one high-quality pre-K program (Perry Street Project) had 44 percent higher high school graduation rate, 46 percent less likely to have served time in jail or prison, and 42 percent higher median monthly income. A broader study of expanded pre-K also showed increased high school graduation rates, strengthening the conclusion that pre-K works. The question is how to deliver these outcomes at scale.

Even expanded public programs, which are too new to track longitudinal outcomes, are delivering immediate financial benefits such as labor force participation and productivity increases among parents. Research on pre-K in Washington, DC showed an increase in maternal participation in the labor force. Since the city began offering two years of universal preschool, the proportion of mothers participating in the labor force has increased by 10 percentage points. Research in New York City found that the parents of children in universal pre-K worked additional hours, compared to the year prior.

There is a general consensus that expanded pre-K has a positive economic return on investment (ROI). The exact benefit figures for universal pre-K investments vary, with estimates ranging from \$3 to \$7 return on every dollar spent. These benefits are often a mix of private and public gain. In the short term, increased workforce participation on the part of parents drives additional earning, spending, and tax revenues. In the longer term, pre-K participants may grow into adults who experience reduced involvement with the justice system, higher incomes, and reduced need for benefits such as TANF. Continued study will be important to clarify the educational and economic impact. Current research also points to the need for good and broad data gathering across agencies as a tool to understand and monitor program quality and value.



What works in pre-K

Program quality can make the difference between success and failure for expanded pre-K programs. A handful of small pre-K programs (e.g., Perry Preschool program and the Abecedarian Program) have been shown to deliver superior, durable economic and social outcomes.

It has proven challenging to make these successful models scalable into full public programs. Research from Tennessee showed short-term gains in kindergarten preparedness from a pre-K expansion, but saw those gains evaporate by second grade. The study identified the quality of pre-K programming as a core cause of the lack of durable gains.

There is no universal definition of “high-quality” pre-K, but clearer standards and leading practices are emerging that can help ensure the success of large-scale, publicly funded, pre-K programs. New York City’s implementation found that positive impacts for their students were associated with attendance in programs that offered strong leadership, made efforts to foster social-emotional learning, and provided wraparound supports that meet the needs of children and families.

It is also becoming possible to evaluate large-scale programs. The National Institute of Early Education Research (NIEER) from Rutgers Graduate School of Education has come up with 10 best practice features that they recommend be used by policymakers to benchmark a successful program. Governments will need to watch this topic as it evolves, because quality is so important to pre-K programs.



How to fund the program

High quality pre-K programs are expensive, and governments are getting creative to fund them. The exact mix of funding streams varies widely across the country, but is almost always made up of federal, state, and local dollars. Self-funding by state and local governments is an important part of the mix, but local governments are rarely doing it alone.

This mix of preschool funding includes federal funding for Head Start, competitive federal Preschool Development grants (18 states received \$210 million in 2016), Title II-VI funding for localities, tax subsidies, and other wraparound services. Some communities are also supported by philanthropic dollars. Foundations see the value in encouraging governments to make early childhood investments. For example, the Pew Charitable Trust found that their financial contributions in support of universal pre-K in five communities were the decisive factor in offering truly universal education, with seats to all students, regardless of family income.

Executing the pre-K program expansion

Delivering new or expanded educational offerings like expanded pre-K means many new logistics. Expanded service mandates mean more of everything — new teachers and training, new curriculum, new real estate, new support services, new student outreach, new finances and grants to manage, and new data and systems. Governments are finding these logistics to be among the toughest aspects of expanding pre-K. New York City had to slow down its expansion to accommodate a more realistic timeline for recruiting teachers. Georgia had to go all the way to the state legislature to acquire more classrooms, and was still unsuccessful. While standards and funding needs may show commonality across districts, the specifics of how to manage the transition are only starting to be explored and often require unique approaches that match the current processes, culture, and regulations of the place. These program management questions often don't make the headlines, but are crucial to achieving the promise of pre-K expansion.



National Institute of
Early Education Research

10 Best Practice Features for Pre-K

- 1 Learning goals**
- 2 Curriculum support**
- 3 Teacher education level**
- 4 Teacher specialized training**
- 5 Assistant teacher education**
- 6 Professional development**
- 7 Maximum class size**
- 8 Teacher-child ratio**
- 9 Health screening and referral**
- 10 Continuous quality improvement system**

Conclusions and Recommendations

Early education is an important tool for state and local governments to realize the full potential of their communities. In order to ensure that investments result in the kind of high-quality programs that will achieve the desired impact, localities should focus on the following steps:

- **Map and evaluate existing options:** Identify your community's current resources and strengths through data analysis, community engagement, and resource mapping
- **Engage stakeholders:** Understand needs, strengths and pain points of existing early education programming, future needs, and community assets
- **Design and monitor program quality:** Focus on implementing and maintaining high-quality programs based on leading practices to maximize student achievement
- **Fund creatively:** Identify federal, philanthropic, and other funding sources to create sustainable funding streams
- **Execute program expansion effectively:** Prepare and deliver effective program management to establish new programs in a safe and timely manner, ensuring strong programs from the start
- **Track outcomes of pre-K students:** Ongoing performance management will ensure quality is consistent year over year, allow for course correction if needed, and enable the locality to communicate the value of their investment in early childhood education





About Guidehouse

Guidehouse is a leading global provider of consulting services to the public and commercial markets with broad capabilities in management, technology, and risk consulting. We help clients address their toughest challenges with a focus on markets and clients facing transformational change, technology-driven innovation and significant regulatory pressure. Across a range of advisory, consulting, outsourcing, and technology/analytics services, we help clients create scalable, innovative solutions that prepare them for future growth and success. Headquartered in Washington DC, the company has more than 7,000 professionals in more than 50 locations. Guidehouse is a Veritas Capital portfolio company, led by seasoned professionals with proven and diverse expertise in traditional and emerging technologies, markets and agenda-setting issues driving national and global economies. For more information, please visit: **www.guidehouse.com**.