

Working Group 1: Early Childhood Education Preliminary Cost Estimates– Alternative Options

Element 1a: Expand full-day prekindergarten (pre-K) at no cost for four-year-olds and three-year-olds from families with incomes up to 300% of the federal poverty level (FPL) (approximately \$75,000 for a family of four), and for four-year-olds from families with incomes between 300% and 600% FPL (approximately \$75,000 to \$150,000 for a family of four) using a sliding scale.

Baseline: Local education agencies must provide all four-year-olds who seek to enroll in a public pre-K program and who are eligible for free or reduced priced meals (185% FPL) with access to a half-day pre-K program.

Based on a survey of local education agencies, reported pre-K spending in fiscal 2018 totaled to \$143,643,388.

Assumptions:

Three-year-olds:

- **Capacity:** As of 9/30/17, there are currently 3,574 three-year-olds participating in public school-based pre-K. It is assumed that a slot for a four-year-old can also serve a three-year-old.

[In certain years, there will not be enough slots to serve three-year-olds from low-income families, mainly when the sliding scale takes effect.](#)

[One alternative would be to offer half-day pre-K programs for three-year-olds at 300% FPL, with the goal of offering full-day pre-K when there is sufficient capacity. Another alternative would be to offer half-day pre-K programs for three-year-olds at 185% FPL, with the goal of offering full-day pre-K when there is sufficient capacity.](#)

- **Participation rate:** It is assumed that the participation rate for the voluntary enrollment of three-year-olds in publicly funded full-day pre-K will be 80% throughout years 1 through 10.
- **Phase-in:** Publicly funded full-day pre-K for three-year-olds from low-income families (up to 300% FPL/\$75,000 for a family of four) will be phased-in over the 10 year period by a minimum of 10% per year. Therefore, by year 10, all three-year-olds from low-income families will be offered full-day pre-K (and 80% will choose to participate).
- **Funding level:** It is assumed that the cost of quality for a four-year-old is the same as the cost of quality for a three-year-old. It is assumed that if three-year-olds are included in an enrollment-based formula, the per pupil funding level would start at a level 3 cost of quality amount and reach the level 5 cost of quality amount by year 5. Therefore, the cost of quality amounts are \$8,343 in year 1,

\$9,312 in year 2, \$10,282 in year 3, \$11,252 in year 4, and \$12,222 in year 5 and beyond.

If three-year-olds are offered a half-day pre-K program, then the cost of quality for a half-day program would be half of the cost of quality for a full-day program. It is assumed that if three-year-olds are included in an enrollment-based formula, the per pupil funding level would start at a level 3 half-day cost of quality amount and reach the level 5 half-day cost of quality amount by year 5. Therefore, the cost of quality amounts are \$4,172 in year 1, \$4,656 in year 2, \$5,141 in year 3, \$5,626 in year 4, and \$6,111 in year 5 and beyond.

If three-year-olds from families with incomes at or below 185% FPL are offered half-day pre-K, the number of students served would decrease. The half-day cost of quality amounts and phase-in remain the same.