

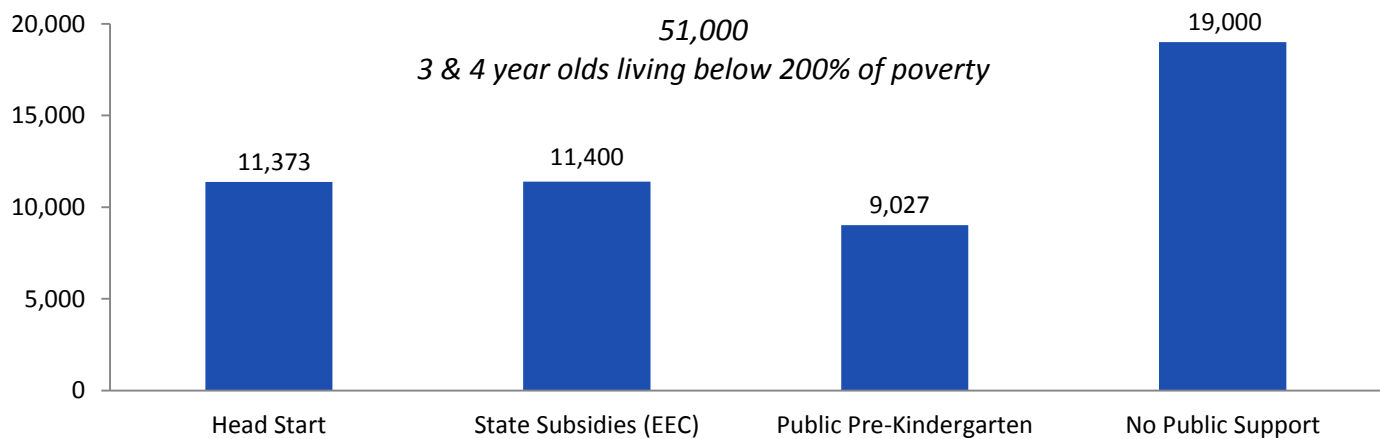
Issue in Brief: Early Education and Care

Early education and care provides opportunity for children at the earliest stages of their development. It also has wide ranging benefits for parents and the broader economy. Children in early education programs tend to do better in school and life, participating in the workforce at higher rates, earning more, and accessing other public benefits at lower rates. Economic gains are both immediate and longer-term: early education and care provides an immediate work support for parents, and it provides a longer-term benefit as children are set on a path to become more productive adults, able to make effective contributions to society in the years ahead. These benefits are greatest for low-income children who often lack formal academic and socio-emotional supports.

The Massachusetts Context

Roughly 19,000 three and four year olds living below 200 percent of poverty in Massachusetts receive no public support for their early education and care.

1/3 of families below 200% of poverty get no public support for their early education



*FY 2013 Head Start data, MA Head Start Association and EEC

**FY 2014 state subsidy data, Department of Early Education and Care

*** FY 2013 pre-kindergarten enrollment, Department of Elementary and Secondary Education

****2012 American Community Survey 1-year estimate used to determine number of children receiving "no public support"

Based on these estimates, the Massachusetts Budget and Policy Center paper *Building a Foundation for Success* costs out three broad options for expanding and improving early education and care for three and four year olds in Massachusetts. Those options are:

Option 1: Expand through the EEC subsidy system at current reimbursement rates

This option estimates what it would cost to provide state subsidies for the state's 52,000 children at or below 400 percent of federal poverty (the rough threshold for receiving Department of Early Education and Care subsidies) not currently receiving public support for their early education and care. Using current EEC rates and family fee requirements, we estimate that it would cost roughly \$153 million of state support and \$288 million in parent fees to expand the current EEC subsidy system to all eligible 3 and 4 year olds (for a total of \$441 million).

Option 2: Expand through EEC system and increase payments to providers to improve quality

EEC has recently developed a Quality Rating Information System (QRIS) to define more uniformly what quality means. QRIS systems have already been implemented in over thirty states and are based highlighting key practices linked to high quality education. This second option expands the current EEC subsidy system by supporting QRIS quality improvements that are tied to increased reimbursement rates. Raising rates to a level equivalent to what 75 percent of private providers charge their unsubsidized children would cost the state roughly \$439 million – around \$286 million more than an expansion at current rates. In either option 1 or 2, families would pay the same fee, amounting to \$288 million in total.

Option 3: Provide universal early education through public schools

Expanding access to early education through the existing public school system offers an alternative to expanding access through EEC subsidies for early education and care in private settings. This route is more universal in nature and would more closely integrate the education and care of three and four year olds with the educational system designed to support them during their K-12 years.

Assuming a per pupil foundation budget of \$13,999 (current PK-12 actual per pupil spending), expanding full-day pre-kindergarten to all 105,500 three and four year olds not currently receiving public support would cost roughly \$1.48 billion annually. It is important to note that while the total cost of \$1.48 billion may appear large, much of this total represents money already being spent privately by parents in the private child care system.

Public/Private Hybrid Options

With early education and care currently provided through a mix of service providers—public school districts, private settings, federally-funded Head Start programs—a few promising hybrid investment options exist for better integrating these largely separate systems. If designed well, a hybrid approach could leverage the strengths of each current provider system and provide a flexible range of options for parents with different needs. The expansion options discussed above would happen separately either through the current EEC system (options 1 and 2) or through the current public school system. Two hybrid options that the full paper explores in greater detail are: 1) the New Jersey model for expanding access and quality through public and private providers, and; 2) the Boston model for funding private center quality investments that help better integrate their curriculum with the Boston Public Schools. For the more detail on each of the three options discussed above, an explanation of hybrid expansion options, and detailed source notes, please read the full version of the paper.

For the full report, "Building a Foundation for Success," and other research, visit the Roadmap to Expanding Opportunity website at:

ExpandingOpportunity.org