New Hampshire’s Most Important Infrastructure Project: Early Care and Education

“We long ago decided an educated public was an outcome worth the shared expense of providing public schools. Today, research points to preschool as a key public investment for the future. We should embrace early education as an integral entry point for a lifetime of learning and make sure that we put in place all of the elements required to get the best return on our investment — including a stable and effective financing system.”

• Richard Kasmin, National Institute for Early Education Research
Overview of Today’s Presentation

1. Why Preschool Matters
2. NH’s Early Care & Education System: How Are We Doing at Providing Strong Foundations for Children?
3. What the Public Health Crisis Reveals about ECCE in NH
4. What Do We Need?
5. How Including Preschool in NH’s School Funding Formula could Make a Difference
6. Opportunities to Better Address the Needs of NH’s Young Children, Families & Communities
7. Conclusions
Why Preschool Matters
Preschool/ECCE is important to children, to families & communities

71% of children under 6 have all adults in their household working.

That’s 52,000 NH children who need early care and education, which will provide responsive relationships & language-rich experiences that build strong foundation for later success.
Growing evidence base of benefits for scaled-up preschool programs

Improved outcomes from early childhood programs have spillover benefits for society
Positive Return on Investment

High-quality preschool for children up to 300% of poverty returns $2 to $3 for every dollar invested.

Return could be as high as $4 per dollar invested with a more targeted program.

Preschool has been shown to reduce racial and economic inequities; sets kids up to succeed in k-12 system and beyond.
How are we doing at providing strong foundations for children?
NH faces key challenges relative to a strong ECCE system

- Funding Challenges
- Workforce Challenges
- Access and Affordability Challenges

Source: NH Needs Assessment
Lack of State Funded Pre-K

Funding Early Opportunity
2016 - 2017 STATE PRESCHOOL SPENDING PER CHILD

US Avg: $5,008

- $10,000 & Up
- $7,000-9,999
- $6,000-6,999
- $4,000-5,999
- $3,000-3,999
- $2,999 & Below
- No Program

NIEER State of Preschool 2017 nieer.org
Public funding for early childhood in New Hampshire is largely from federal sources

<table>
<thead>
<tr>
<th>Program</th>
<th>Program Type</th>
<th>Ages</th>
<th>Funding Source</th>
<th>Maximum Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>MIECHV</td>
<td>Home visiting</td>
<td>Prenatal to 3</td>
<td>Federal</td>
<td>[Multiple risk factors]</td>
</tr>
<tr>
<td>Early Head Start</td>
<td>Home visiting/early learning</td>
<td>Birth to 3</td>
<td>Federal</td>
<td>100% FPL</td>
</tr>
<tr>
<td>Head Start</td>
<td>Preschool</td>
<td>3 and 4</td>
<td>Federal</td>
<td>100% FPL</td>
</tr>
<tr>
<td>Federal Title I</td>
<td>Preschool</td>
<td>3 and 4</td>
<td>Federal</td>
<td>[Title I school]</td>
</tr>
<tr>
<td>Local district preschool</td>
<td>Preschool</td>
<td>3 and 4</td>
<td>Federal/local</td>
<td>–</td>
</tr>
<tr>
<td>Child Care Scholarships</td>
<td>Child care subsidy</td>
<td>Birth to 12</td>
<td>Federal/state</td>
<td>250% FPL*</td>
</tr>
</tbody>
</table>

**NOTE: – = not applicable.**

* Also requires all parents to be working, looking for work, or enrolled in school.
Programs do not have sufficient funding to reach all who are eligible or could benefit.

Eligible children have family income below federal poverty level:
- Early Head Start: 7%
- Head Start: 39%
- Child Care Scholarship Ages 0–2: 13%
- Child Care Scholarship Ages 3–4: 22%

Eligible children have family income below 2.5 times federal poverty level:

SOURCE: RAND analysis.
Head Start has limited reach:

**Head Start**  
5 agencies in  
35 communities with  
1,183 slots  

**Early Head Start**  
3 agencies in  
13 communities with  
385 slots

SOURCE: RAND analysis.
Workforce challenges

Typical wages barely rise above poverty level; 20% of NH’s ECCE workforce report having other jobs and/or accessing government subsidies to make ends meet.
Access and Affordability Challenges

- 50% of families surveyed had some or a lot of difficulty finding ECCE program they wanted.
- 25% could not find care they wanted for a week or more at least once in past year
- 20% report quitting or not starting a job, school, or training in the last year because of issues with accessing care. This was BEFORE the COVID-19 crisis.
Participation in preschool programs in New Hampshire is closely tied to family income

45% of young children are in families who face economic challenges

**Preschool participation rate for 4-year-olds in New Hampshire**

- Below poverty level: 44%
- 1 to 2 times poverty level: 51%
- 2 to 3 times poverty level: 56%
- More than 3 times poverty level: 80%

**SOURCE:** RAND analysis of 2011–2015 American Community Survey microdata file
Access and Affordability Challenges

We have deserts

MaptheGap
Access and Affordability Challenges

Affordability - Child Care for Young Children

- Center
- Accredited Center
- FCC
- Accredited FCC

<table>
<thead>
<tr>
<th>Age</th>
<th>Center</th>
<th>Accredited Center</th>
<th>FCC</th>
<th>Accredited FCC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant</td>
<td>15.4%</td>
<td>NA</td>
<td>8.8%</td>
<td>NA</td>
</tr>
<tr>
<td>Toddler</td>
<td>13.9%</td>
<td>NA</td>
<td>8.6%</td>
<td>NA</td>
</tr>
<tr>
<td>Four-Year-Old</td>
<td>12.1%</td>
<td>NA</td>
<td>9.8%</td>
<td>NA</td>
</tr>
</tbody>
</table>

Recommended max. family expenditure

1. For more information, visit [source](#)

2. Data from [source](#)
District preschool enrollment has been increasing

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Districts with preschool enrollment (N)</td>
<td>88</td>
<td>91</td>
<td>94</td>
</tr>
<tr>
<td>District preschool enrollment (N)</td>
<td>3,670</td>
<td>3,894</td>
<td>3,876</td>
</tr>
<tr>
<td>Statewide estimated pre-k (4-yr.-olds) district enrollment rate (%)</td>
<td>22 to 24</td>
<td>22 to 27</td>
<td>–</td>
</tr>
</tbody>
</table>

SOURCE: RAND analysis of data from the US and NH Departments of Education.
What the public health crisis has revealed about our early care and education system
ECCE is foundational to NH’s economy

“Just shut down child care for a day. The economy will come to a screeching halt.” Connecticut provider
Opportunity depends on where you live & how ECCE is funded

• ECCE programs – mix of public & private entities
• During COVID:
  ▪ Head Start and public pre-schools paying staff to work remotely with children and families
  ▪ ECCE private tuition programs are facing a financial crisis
During the pandemic:

• All Head Start programs are offering remote learning for children/support for families
• April 6: 55% of child care centers were open
• June 1: 44% of child care centers were open
• 0 afterschool programs are open
In sum:

There is no one, universal pre-K or ECCE system with equal access, quality, and affordability across our state, which exacerbates inequalities instead of addressing them, which effective ECCE can do.

The business model of ECCE is tenuous when there is no public health or economic crisis. Economic recovery depends on parents having access to ECCE.
What do we need?
We need:

- Strong, integrated early childhood governance system
- ECCE and K-12 system alignment & integration
- Coordinated, collaborative regional and local infrastructure
- Access
- Workforce development
- Data Integration
- Stable Funding
- Strategic investment in preschool/ECCE
- An improved pre-K and K entry process
How including pre-K in school funding formula could help resolve these challenges:
How including pre-K in school funding formula could help resolve these challenges:

- Tying pre-k and K-12 funding together in a single formula recognizes early learning as essential in the educational continuum, and ties it to the larger education system.
- This proposal could stabilize funding AND tie it to enrollment.
- It can provide more access in areas of critical need.
- It will give us the information we need to determine how children are doing on a longitudinal basis.
- But it can’t be done in a vacuum from our existing ECCE “system” because removing 4-year olds from independent programs could be financially ruinous.
Opportunities to better address the needs of NH’s children, families and communities
Why now is the time

- We have dedicated funding to explore this issue via Preschool Development Grant
- Building an Early Childhood Governance Structure
- Creating a new data system
- Redesigning our QRIS (Quality Recognition and Improvement System)
- Economic interest (e.g., Federal Reserve Bank of Boston, Business & Industry Association)
Conclusions

Because of the importance of ECCE, we should be looking to more state and local funding; we should update our policies to reflect developmental science AND the reality of working families today.
“Including pre-k in state school funding formulas is a sound policy for several reasons. Formulas tend to be stable and to enjoy strong public and political support, even in difficult economic environments. They are enrollment based, ensuring funding is adequate on an annual basis, and they account for a variety of cost factors, such as income disparities across states and districts and specific student needs, e.g. English language and special education. When designed to support both quality and access over the long term, school funding formulas can enable states and districts to build, grow and sustain high-quality early learning programs.”

Pew Center for the States, *Formula for Success: Adding High-Quality Pre-K to State School Funding Formulas*
Questions & Answers
Contacts

Kimberly Firth, Program Director
Endowment for Health
1 Pillsbury Street
Concord, NH 03301
(603) 228-2448 x316
kfirth@endowmentforhealth.org

Debra Nelson, Bureau Chief
Child Development and Head Start Collaboration
DHHS/Division of Economic & Housing Stability
129 Pleasant St.
Concord, NH 03301
603-271-8153
Debra.Nelson@dhhs.nh.gov