

**New Hampshire Commission to Study School Funding  
Categorical Aid Brief on Early Childhood Education  
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Introduction and Background

Beginning in the 1970's, a scientific and policy consensus has developed that acknowledges the value of high quality early care and education programs for children from birth to six years of age. Participation in early education programs is especially beneficial for children in low and working income families, as demonstrated by the national Head Start program and other services aimed at families living in poverty or near poverty. Young children ages 3 and 4 who participate in preschool programs prior to entering kindergarten generally demonstrate positive educational outcomes in the early primary grades and through high school graduation. For children with the greatest need as a function of living in poverty, preschool leads to financial savings in terms of fewer special education referrals, less frequent grade retention, and long-term reduced reliance on social service safety nets. In general, children who experience good quality early care and education enter public school with the requisite skills for succeeding academically and socially.

In New Hampshire, 71% of all children below six live in households where all adults work; this is roughly 52,000 children. Early care and education is an important resource for working families. New Hampshire is one of 7 states that currently offers no state funding to support preschool education programs. Of the remaining 43 states, an average of \$5008 per child is provided through state funding mechanisms (2017). Some children in NH have access to federally subsidized early education programs such as Head Start and the Child Care Scholarship program, but generally only a third or fewer of children eligible for these means-tested programs are able to participate in them. Most children who attend early education programs do so through private, tuition-based services. This results in a much higher portion of children from medium and upper income families having access to preschool than children from poor and working class families. Preschool-aged children in Rockingham and Hillsborough Counties have much greater access to preschool compared to their peers in other counties, especially Coos and Cheshire.

Most preschool children currently served by public schools are eligible for special education services as defined by state and federal special education laws. In 2017-2018, 94 school districts offered a preschool program, with the large majority of enrollments consisting of children with special needs (about 3900 children total). Roughly one-quarter of 4-year olds participate in preschool programs based in public schools.

In 2019, New Hampshire was awarded a 3-year, \$26.8 million Preschool Development Grant Birth through Five (PDG B-5). This funding provides the opportunity to build an early childhood care and education (ECCE) system that supports New Hampshire's vision that all families be afforded comprehensive and responsive supports. Governor Sununu's Executive Order 2020-03 established the Council for Thriving Children which serves as the State's advisory council on early childhood care and education and is led by the Department of Education and the Department of Health and Human Services. (National Institute for Early Education Research)

“New Hampshire’s Strategic Plan for Early Childhood” published in June 2020 calls for a multi-year effort to expand the availability, quality, and affordability of early care and education. The Plan was developed by the NH Departments of Education and Health and Human Services as well as the University of New Hampshire College of Health and Human Services. In addition to addressing the child and family benefits of a robust system of early care and education, the Plan calls for an integrated system of governance and service delivery, including close cooperation and joint efforts with public schools. The Plan does not include specific recommendations for funding or policy changes that might support such cooperation.

“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)

### Relevant Statutes

There are few statutes pertaining to the education of preschool age children in New Hampshire. Those most relevant include:

186-C:10 Responsibility of School Districts (to provide special education services, including children 3-6 years old)

198:48-b Kindergarten Adequate Education Grants (kindergarten students count toward the ADMA)

198:48-c Kindergarten Grants (to provide full ADMA funding for full-day kindergarten)

170-E Child Day Care, Residential Care, and Child-Placing Agencies (DHHS oversight of child care programs, licensing, staff qualifications, etc.)

161 and 167 Child Care Scholarship Program (to subsidize child care costs for income-eligible working parents)

### Appropriations

In 2018-2019, the NH DOE allocated \$1.96 million to support preschool special education programs. Of this amount, \$1.44 million was from federal sources; the remaining was from state appropriations.

*From Citizens Count:* <https://www.citizenscount.org/issues/early-education-and-kindergarten>

“There is no general state funding for preschool or pre-kindergarten in New Hampshire. The state also makes no formal distinction between preschool/pre-K and daycare for the purposes of licensing, curriculum, and standards. However, individual school districts may choose to provide some public preschool or pre-K if they choose. Several districts in New Hampshire have opted to do so. These programs must be funded through local taxes or federal funds (such as [Head Start](#) or

the [Child Care and Development Block Grant](#)). Eligibility for these programs can vary from town to town, but often guarantees space for any children with special needs, making other spaces available to normally-developing children who serve as peer models. The programs may be free or tuition may be charged, though this is generally at far lower rates than those paid for private preschool or pre-K programs.”

In FY 2020, NH received about \$28.4 million in federal allocations under the Child Care and Development Block Grant Program. This included about \$7 million in a one-time CARES appropriation.

### Policy Issues

As seen above, public support and oversight of early care and education programs are largely the province of DHHS, with the exception of preschool programs for children receiving special education services. Given the scientific consensus that quality early education has long-term positive effects on children’s educational achievements, the state has an interest in supporting access to quality programs for children at least during ages 3-5. In general, it seems that a policy framework that supports the provision of early education through both the private and public sectors makes sense. Initially, state policy should emphasize programs that serve children living in low income families (e.g., those with household incomes up to 250% of the Federal poverty level). Many of these are children who later benefit from FRPL support. Since this group of students is predicted to have poorer outcomes than their peers, improving their early education experiences can lead to improved educational and other social indicators. This would in turn lead to individual as well as broader social benefits.

The legislature should seek ways to support both public school and community-based quality early childhood education programs. Support for expanding public school preschool programs could begin with an incentive strategy, similar to the first step taken in Gov. Shaheen’s administration to expanding kindergarten access. Support for community-based programs should include expanding eligibility and funding for the child care scholarship program, linked to quality standards. Investments in the training and compensation of the early education workforce are also important for improving quality and therefore student outcomes.

It is proposed that the State consider a funding plan, to be phased in over a multi-year period, that would provide direct support for preschool programming offered by public school districts and by licensed nonprofit early education and care programs. For the former, including preschool age children in ADMA counts would direct funds to school districts that provide such services (similar to the kindergarten funding approach). For the latter, expanded funding for the child care scholarship program would increase the capacity of community-based child care programs to serve children from low and moderate income families.

Such an incentive-based approach should be managed through collaborative arrangements between DOE and DHHS, building on the existing office of Child Development and Head Start Collaboration in DHHS. Capacity within DOE to support early education may need to be increased to assure effective collaboration and coordination.