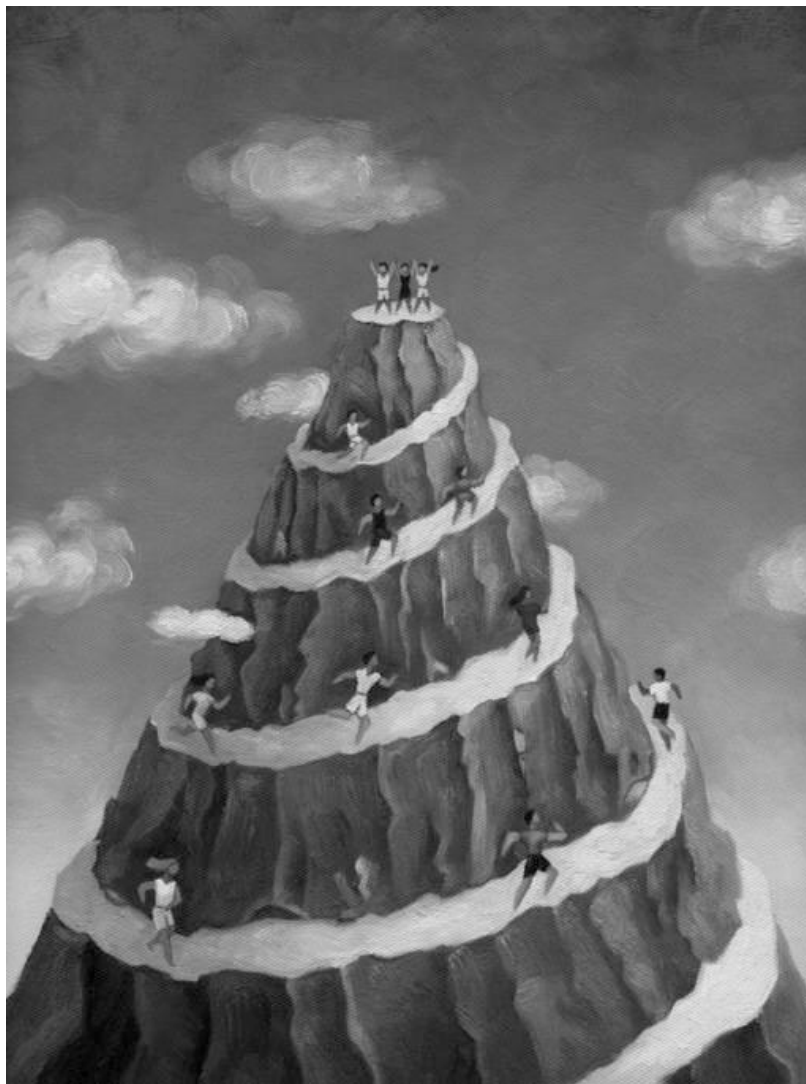


Racing To The Top:
American Recovery and Reinvestment Act
Issues Brief Series

#1: Public Charter Schools And High-Quality Pre-K



DEMOCRATS
for **EDUCATION REFORM**

June 17, 2009

Dear Education Reformer:

This is the first in a series of issue briefs in which Democrats for Education Reform (DFER) will present innovative ideas for Secretary of Education Arne Duncan's \$5 billion "*Race to the Top*" initiative. (For more on the Race to the Top issue briefs visit www.dfer.org.)

The Race to the Top fund is the icing on the cake of more than \$100 billion in federal education funds appropriated under the American Recovery and Reinvestment Act (ARRA) in February. This fund, which represents 5% of the recent historic investment in America's schools, allows Secretary Duncan to establish clear reform priorities for states and to back those priorities up by funding only those states which are willing to break through the chains of a status quo which historically has failed too many students. The challenge for the *Race to the Top* competition will be to ensure that this massive federal investment in productive change fulfills its unique purpose and its enormous potential.

Race to the Top represents a once-in-a-lifetime opportunity for our nation to reshape and reinvent P-16 public education. While too many public schools have failed to meet the academic needs of their students, there are extraordinary things happening today in schools all across the United States. This is an unprecedented opportunity to take steps at the federal level to help bring some of these bold, inventive, and effective models to scale. Doing so will begin the process of ensuring that excellent, high-achieving schools are the rule, rather than the exception. The right moves today will bring us closer to an era when America's public schools become great places for parents to send their children, and great places for teachers to go to work.

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We've never seen anything like *Race to the Top* before, whether it is judged by the size of the financial commitment or the sheer amount of ambition that comes with it. Nor are we likely ever to see another such chance to implement meaningful reforms at this scale. Indeed, the stakes are incredibly high. It is absolutely critical that we get this right.

There are two paths that *Race to the Top* can take. The first is the old way - the path of least resistance - where government officials succumb to political pressure to reward states that have proven to be unable or unwilling to advance credible and

ambitious reforms. This path ensures that the education system we see three or four years from now will look very much like the education system we have today. This path represents a squandered opportunity of epic proportions.

The second path - the path of real change - is to make major investments in only those states and districts that have shown the willingness to break out of the old way of doing things, and advance game-changing models that best serve our children. This path, while more challenging, is the only one that will truly transform public education.

The higher we set the bar on the *Race to the Top*, the more likely we are to enable those with proven approaches to expand their efforts, and in turn set the right example to which we expect other states to strive. This series will put forth some of the key components essential to a *Race to the Top* initiative that would truly live up to its title.

These ideas, on: pre-school; charter schools; teacher quality and equity; alternative teacher certification; standards and assessments, and other issues are closely aligned with the four areas of reform Congress and the President outlined when ARRA was signed into law in January. Equally important, they embrace the themes of accountability and transparency that President Obama and Congressional leaders have consistently called for in education policy.

Special thanks to DFER board member Sara Mead, of the New America Foundation, for her continued work in early childhood education and for her help with this issue brief.

We look forward to continuing to work with our elected officials and advocates at all levels of government to advance these goals over the coming months.

Joe Williams
Executive Director

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Director of Federal Policy

High-Quality Pre-K Should Be Part of Any State's Race to the Top Strategy

The Proposal: States should enact policies to encourage the creation of Pre-K Charter Schools to deliver high-quality early education to 3- and 4-year-olds. At a time when state budget woes threaten many Pre-K investments, this approach would enable states to use stimulus funds to expand children's access to high-quality early education programs, while maintaining a diverse, publicly accountable network of Pre-K providers.

Research shows that between one-third and one-half of the achievement gap already exists by the time children begin first grade.ⁱ Children from low-income families receive less support for early language, literacy, cognitive and social-emotional development than their more affluent peers. By age three, the typical disadvantaged child has heard 30 million fewer words than children from affluent families.ⁱⁱ Low-income children are also less likely to be read to and watch more TV than their middle-class and affluent peers.ⁱⁱⁱ Low-income families are often under increased economic and other stresses that can also negatively affect children's development.^{iv}

High-quality Pre-K programs can improve young children's learning and help narrow the achievement gap. Numerous studies demonstrate that high-quality early childhood programs—those that employ qualified teachers; have small class sizes; and use clearly articulated, developmentally appropriate curriculum designed to foster children's language, literacy, cognitive, and social-emotional development—have positive impacts on young children's learning and long-term life outcomes.^v While children from all backgrounds benefit from participation in such programs, research demonstrates that children from disadvantaged backgrounds make the greatest gains.^{vi} As a result, high-quality Pre-K can narrow the achievement gap while also improving overall student achievement.

High-quality Pre-K is a sound investment. Studies of high-quality Pre-K programs in North Carolina, Michigan, and Chicago demonstrate that the long-term benefits of children's participation in Pre-K—in terms of increased educational attainment, greater adult earnings, and reduced crime—more than pay for their initial costs.^{vii} In fact, it is estimated that savings due to reductions in grade retention and special education placements recoup 75 percent of the costs of Pre-K programs while children are still enrolled in school.^{viii}

State Budget Conditions Threaten Pre-K Investments

Policymakers increasingly recognize the value of high-quality Pre-K programs as an investment in their state's future educational and economic competitiveness. Since

2002, states have more than doubled spending on Pre-K to \$5.2 billion, and the number of children served has risen from 700,000 to nearly 1.1 million. But the current economic downturn and state budget shortfalls threaten this progress. Nine states have already announced cuts to their state Pre-K programs, and more are likely to do so in the coming weeks.

States began receiving the first installment of money in state fiscal stabilization funds on April 1, but most states can't use that money to maintain investments in pre-k programs, because 82 percent of state fiscal stabilization funds go directly to school districts and institutions of higher education. This means the majority of states that don't fund pre-k through their state school finance formula can't use those funds for pre-k. As a result, states are struggling to maintain investments in pre-k programs.

Pre-K Charters Offer a Promising Approach to Expand Access to High-Quality Early Education

Pre-K charter schools offer a promising solution that many states could use to maintain Pre-K investments and even expand access to quality Pre-K programs despite state budget crises. Charter schools are independent public schools that are publicly accountable and open to all students free of charge, but operated by organizations other than public school districts. Pre-K charter schools are public charter schools that deliver high-quality early education to 3- and 4-year-old children, either as stand alone Pre-K centers or as part of an aligned elementary, Pre-K-8 or Pre-K-12 education program.

Just like other charter schools, Pre-K charters receive per-pupil funding through a state's school finance formula. As a result, Pre-K charter schools would also be able to receive funding through the State Fiscal Stabilization Fund, in the same way other charter schools do. This would allow states to use stimulus funds to maintain critical investments in Pre-K. Because the charter school model is designed to enable organizations outside the existing public school system to operate public schools, it is an ideal strategy for incorporating community-based providers into the state's public education system for Pre-K, provided they meet quality standards.

Pre-K Charter Schools are already operating in the handful of states that allow them. The Accelerated School in Los Angeles, KIPP McDonough 15 in New Orleans, and dozens of charter schools in Washington, D.C. provide evidence that Pre-K charter schools can provide high-quality early learning experiences that improve outcomes for disadvantaged youngsters. Some of these schools, such as the D.C. Bilingual

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Public Charter School in Washington, D.C., grew out of previously existing community-based childcare programs. Becoming a charter school provides a way for these organizations to improve quality and increase the number of children served in their Pre-K programs.

The Pre-K Charter School approach also creates new opportunities to implement aligned programs of Pre-K-3rd grade schooling that build on and sustain children's Pre-K learning gains through high-quality early elementary school programs.

What States Must Do

Several state policy actions already support high-quality Pre-K charter schools:

- Ensure that the state's charter school law explicitly authorizes charter schools to offer Pre-K programs. Colorado's charter school law, for example, states that, "A charter school shall be authorized to offer any educational program....that may be offered by a school district," which includes Pre-K programs. New York's charter school law, in contrast, authorizes charter schools to operate grades kindergarten through 12, and this has been interpreted by some New York state officials as potentially barring charter schools from offering Pre-K programs.¹ The easiest way states can ensure that their charter school law authorizes charter schools to offer pre-k is by amending the definition of charter schools to define charter schools as public schools that, among other things, "Provide a program of public education that include one or more of the following: pre-kindergarten, elementary, middle, or secondary schooling, or any combination thereof."
- Amend the state charter school law and/or the state school funding formula law to allow public charter schools that serve 3- and 4-year-olds to receive per pupil funds for these students through the state's school funding formula. Some school districts and public charter schools already receive public funding through their state's LA4 and Starting Points Pre-K programs, and offer high-quality, full school-day, school-based Pre-K programs to 4-year-olds. These programs provide more generous funding than Pre-K programs in many other states, allowing charter schools to offer high-quality Pre-K programs. For example, charter schools in Washington, D.C., receive per-pupil funding for 3- and 4-year-old Pre-K students through the District of Columbia's Uniform Per Student Funding Formula. While the amount of funding that schools receive varies slightly depending on the student's grade level, the amount of funding D.C. charter schools receive for 3- and 4-year-olds is on par with that for elementary

¹ The State University of New York, one of the state's major charter school authorizers, recently authorized a charter school in New York City to offer "developmental kindergarten" programs that may enroll four-year-olds. New York could much more effectively leverage its high performing charter schools to expand access to high-quality pre-k if the state's laws explicitly authorized charter schools to offer pre-k programs.

students, ensuring charters receive adequate funding to offer quality Pre-K programs.

- Establish streamlined processes for high-quality community-based pre-k providers already participating in the state Pre-K program to become Pre-K charter schools. In most states, such community-based providers have already shown that they meet certain standards of quality and are already subject to certain financial and academic requirements. Thus, charter school authorizers should be able to use an expedited process to determine whether or not to grant them charters. Alternatively, states could allow the office that currently administers the state Pre-K program and monitors participating providers to become an authorizer for Pre-K charter schools.
- Build authorizers' capacity and expertise in early education.
- Exempt Pre-K charters from state caps on the number of charter schools that may be opened. This allows states to use Pre-K chartering to expand access to quality early education without bumping up against state charter school caps.

Additional Resources

Partners In Closing the Achievement Gap: How Charter Schools Can Support High-Quality Universal Pre-K. DFER Policy Briefing Memo (March 21st, 2008)

http://www.newamerica.net/files/Partners_In_Closing_the_Achievement_Gap.pdf

Old Policies, New Ways to Fund Preschool. Education Sector (April 4, 2006)

http://www.educationsector.org/analysis/analysis_show.htm?doc_id=365162

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ⁱ Meredith Phillips, James Crouse, and John Ralph, "Does the Black White Test Score Gap Widen After Children Enter School?" in Meredith Phillips and Christopher Jencks, eds. *The Black-White Test Score Gap* (Washington, D.C.: Brookings Institution Press, 1998)

ⁱⁱ Betty Hart and Todd Risley, *Meaningful Differences in the Everyday Experiences of American Children* (Paul H. Brookes Publishing, 1995)

ⁱⁱⁱ Valerie Lee and David Burkam, *Inequality at the Starting Gate* (Washington, D.C.: Economic Policy Institute, 2002)

^{iv} Jack P. Shonkoff and Deborah A. Phillips, eds. *From Neurons to Neighborhoods* (Washington, D.C.: National Academy Press, 2000)

^vArthur Reynolds, et. al. Age 21 cost-benefit analysis of the Title I Chicago Child-Parent Centers. *Educational Evaluation and policy Analysis*, 24(4), (2002) 267-303; *Head Start Impact Study: First Year Findings* (Washington, D.C.: U.S. Department of Health and Human Services, Administration for Children and Families. May 2005); Craig T. Ramey, et. al. "Persistent effects of early intervention on high-risk children and their mothers." *Applied Developmental Science*, 4, (2000) 2-14; W. Steven Barnett. *Lives in the balance: Age-27 benefit-cost analysis of the HighScope Perry Preschool Program* (Monographs of the HighScope Educational Research Foundation, 11). (Ypsilanti, MI: HighScope Press. 1996)

^{vi} William Gormley, Jr., and Deborah Phillips, "The Effects of Universal Pre-K in Oklahoma: Research Highlights and Policy Implications," *Policy Studies Journal* (February 2005), pp. 65-82

^{vii}Arthur Reynolds, et. al. Age 21 cost-benefit analysis of the Title I Chicago Child-Parent Centers. *Educational Evaluation and policy Analysis*, 24(4), (2002) 267-303; Craig T. Ramey, et. al. "Persistent effects of early intervention on high-risk children and their mothers." *Applied Developmental Science*, 4, (2000) 2-14; W. Steven Barnett. *Lives in the balance: Age-27 benefit-cost analysis of the HighScope Perry Preschool Program* (Monographs of the HighScope Educational Research Foundation, 11). (Ypsilanti, MI: HighScope Press. 1996)

^{viii} Clive R. Belfield, *An Economic Analysis of Pre-K in Louisiana* (Washington, D.C.: Pre-K Now. 2005) http://www.preknow.org/documents/LAEconAnalysisReport_June2005.pdf