

UPDATE

Pre-Kindergarten in the South

*Preserving the Region's
Comparative Advantage in Education*



The Southern Education Foundation

The Southern Education Foundation (SEF) is a nonprofit organization comprised of diverse women and men who work together to improve the quality of life for all of the South's people through better and more accessible education. SEF advances creative solutions to ensure fairness and excellence in education for low income students from preschool through higher education.

SEF develops and implements programs of its own design, serves as an intermediary for donors who want a high-quality partner with whom to work on education issues in the South, and participates as a public charity in the world of philanthropy. SEF depends upon contributions from foundations, corporations, and individuals to support its efforts.

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CREDITS

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THE SOUTHERN EDUCATION FOUNDATION

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Foreword

This report reminds readers that the American South has only one significant comparative advantage in the area of education: It provides publicly supported, quality pre-kindergarten services to more little children than any other region of the country. This is a bright spot in Southern public education systems that are otherwise failing to help millions of Southern students achieve to high standards or graduate from secondary school or college. The need to work aggressively to improve public education quality, inputs and outcomes has never been greater. As documented in the Southern Education Foundation's recently released report, *A New Diverse Majority*, the bulk of Southern public school students are low income and/or people of color, in whose education the region has historically underinvested.

There is an ever enlarging body of data and consensus among educators and researchers that hearty investments in the education of little children prior to entry into kindergarten or first grade is the best way to ensure readiness to learn, reduce in-grade retention, and promote greater achievement at all levels. In fact, access to quality pre-kindergarten services has been shown to affect lifelong patterns of employment and independent living among those fortunate enough to be enrolled in such programs when young. Why cut a program that is working? Why not expand it and build on strength?

In order to improve education outcomes at all levels, there must be a firm foundation upon which students can build knowledge and skills. Early childhood is a critical time in a child's cognitive and social development. Much in later life depends to a considerable extent on what happens during the early years.

There are some who argue against provision of publicly supported pre-kindergarten programs on the ground that parents are the best teachers during a child's early years. This might be true, but it doesn't solve the problem of underdevelopment and under stimulation among little children whose parents may lack parenting know-how, who have to work two jobs, who are searching for work, or who are themselves of limited education.

Education is an iterative process. Each level of skill and capacity building depends upon what children have or have not learned before. A child who enters kindergarten or first grade without the social skills to function in the classroom with peers and teachers and who lacks baseline knowledge and vocabulary will likely suffer educational disadvantages for years to come.

For the most part, the South's public schools have neither the resources nor the demonstrated capacity to adequately educate or motivate many students, especially those who are low income and/or members of minority groups, to achieve to high standards at all grade levels and/or graduate college ready. Lack of quality education opportunity and low levels of education attainment are major reasons why the region is home to over 40 percent of the nation's poor people. Without a much better educated populace, the South's economic future is compromised, its democratic institutions weakened, its human capital wasted, and everyone's quality of life diminished.

It makes no sense, no matter how severe the economic crisis faced by Southern state and local governments, to make damaging reductions in the availability of quality pre-kindergarten services for children. If public resource allocation decisions are to be grounded in data and based upon evidence of what works, pre-kindergarten programs should be the last area of budget cutting.

Sage public policy and resource allocation efforts ought to consider the relatively small amounts spent on pre-kindergarten in relation to benefits to be garnered by making reductions. The demonstrated long-term efficacy of pre-kindergarten programs should immunize them from further cuts. In fact, although it may be counterintuitive to some, it is in tough economic times that little children especially need public support to keep striving for excellence and to develop necessary resilience in the face of adversity. When parents are stressed, transience and homelessness are increasing, and foreclosures are disrupting lives, little children need all of the supplemental stability and direction that a welcoming pre-kindergarten program can provide.

This is the South's challenge and its moment of truth: Do we sustain the one area of public education needed by little children that is successful? Or shall we take steps to reduce or eliminate the best way we have to help little children become ready for success in education for years to come? The answer should be evident to all thinking people.

Publicly supported, pre-kindergarten of quality is the one area where Southern states are in the vanguard of progressive reform in the nation. Let's keep it that way and do the right thing. All of our children deserve to have access to quality pre-kindergarten services and bright futures.

Lynn Huntley
President

The Southern Education Foundation



Introduction: Preserving Pre-K – the South’s Only Comparative Advantage in Education

The South continues to lead the nation in 2010 in only one major area of public education: the enrollment of three- and four-year-old children in early education programs. According to the latest national data, the percent of children in state-supported pre-kindergarten (Pre-K) across the 15 states of the American South¹ remains twice as large as the rest of the nation. During the last two years, despite a severe recession, Southern states found ways to continue and, in some instances, to expand Pre-K enrollment and funding. In addition, more than half the states with the nation’s highest standards for quality in Pre-K programs remain in the South.

An overwhelming body of independent research continues to confirm that high-quality Pre-K helps young children become school-ready better than any other single investment. Pre-K’s effects in the longer term also make it an essential strategy today to help turn around a century-old pattern in which the South lags behind the nation in educational attainment and personal income. Today high-quality Pre-K is likely the single most effective investment for improving Southern education for both the short term and the long term.

Despite the importance of Pre-K, the South’s leadership in this field may be in jeopardy. Southern legislatures are considering state budgets in the face of sharply reduced state revenues. In the first nine months of 2009, state revenues in the South declined by approximately \$30 billion from the same period in 2008 (which had sharply reduced revenues from 2007). Across the region, most legislatures and governors face large

¹The Southern Education Foundation includes 15 states in the South. See cover for the listing of states in the region. The seven Deep South states of this report are Alabama, Arkansas, Georgia, Louisiana, Mississippi, South Carolina, and Tennessee. Mississippi is the only Southern state without a state-supported Pre-K program.

budget gaps for the current year, and state policymakers in the 15 Southern states collectively confront a projected shortfall of at least \$25 to \$30 billion for 2011 budgets.²

In the Southern state capitals today, more than 15,000 lobbyists are registered to influence the budget-making process. That is an average of six lobbyists for every single state legislator in the South. Across the region, lobbyists were paid an estimated \$500 million by almost 19,000 clients to inform, entertain, and influence state policymakers in 2008. In the same year, lobbyists in Southern state capitals contributed more than \$7.5 million in campaign contributions, primarily to incumbent state officials, and thousands of their clients likely gave a great deal more money in political contributions to the same state officials.³

None of these lobbyists was retained by the South's three- and four-year-old children. None was engaged by these children's young parents. And, only a handful of non-profit groups representing the interests of small children today monitor or lobby the Southern state capitals.

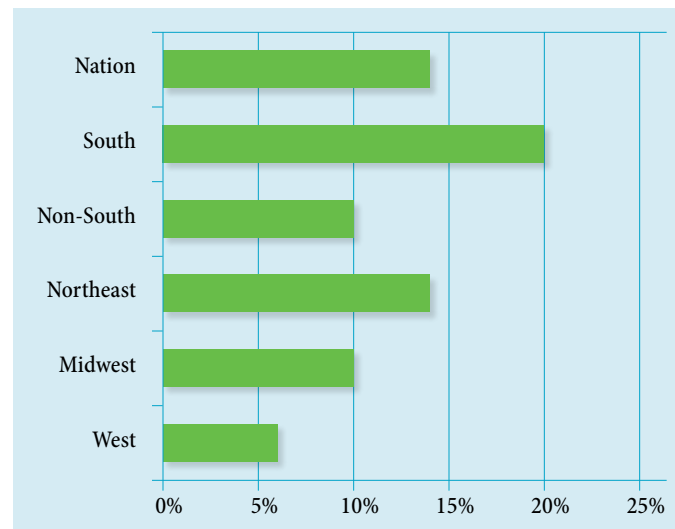
This report is not likely to have the same impact as the daily presence, influence, and funds of lobbyists and their clients, who represent a wide range of both public and private interests in the Southern state capitals. But, this update attempts to make clear that the continued education of three- and four-year-old children in the South's Pre-K programs represents a very modest but vitally important investment of state funds. In addition, the continued growth of state-supported, high-quality Pre-K is a remarkably good, cost-saving investment for the Southern states even in economic hard times.

South Continues To Lead the Nation in Pre-K

Six Southern states remain among the nation's top ten states with the highest enrollment rates in state-supported Pre-K classes, and 12 of the South's 15 states are in the top 20 states for Pre-K enrollment of three- and four-year-old children. In 2008, Oklahoma (1st), Florida (3rd), Georgia (4th), Texas (6th), West Virginia (7th), and Arkansas (8th) ranked in the top ten states.⁴ South Carolina (12th), Kentucky (13th), Maryland (14th), Louisiana (15th), North Carolina (16th) and Tennessee (17th) were in the top 20 states in Pre-K enrollment.

As a result, 20 percent of the South's three- and four-year-old children were in state-supported Pre-K in 2008—twice the rate for the rest of the nation. The national rate, including the Southern states, stood at 14 percent (Appendix 1). The Western states enrolled only six percent of the states' three- and four-year-old children in Pre-K. The Northeast enrolled

Percent of 3- & 4-Year-Olds in State Pre-K 2008



²For summary data about state revenues shortfalls and revenue declines, visit the SEF website at [Update: Pre-Kindergarten in the South](#).

³For summary data about lobbying expenditures in each of the Southern state capitals, visit the SEF website at [Update: Pre-Kindergarten in the South](#).

⁴The latest Pre-K enrollment data for 50 states is for 2008 from the National Institute for Early Education Research (NIEER). The rates are computed as the percentage of three- and four-year-old children enrolled in state-supported Pre-K. The rates include both three- and four-year-olds because some states include both and research indicates that children of both age groups can benefit from appropriate play-based academic learning.

Top States in Pre-K Quality Standards 2008

State/Program	Benchmarks Met
Alabama	10
North Carolina	10
Arkansas	9
Illinois	9
Maryland	9
Minnesota	9
New Mexico	9
Oklahoma	9
Tennessee	9
Washington	9

Southern states in bold. Number out of 10 possible benchmarks.

14 percent, the national average, primarily due to high rates only in Vermont, New Jersey, and New York. Illinois and Wisconsin had the only high enrollment rates in the Midwest, where the rate was 10 percent.

Since 2001, the enrollment of three- and four-year-olds across the country in state-supported pre-kindergarten has grown from nine percent to 14 percent. Much of this growth has taken place in the South where Arkansas, Tennessee, Florida, South Carolina, and Louisiana have made substantial gains.

Southern states also lead the nation in Pre-K standards for high-quality programs. In 2008, six of the top 10 states across the country that met at least nine of 10 Pre-K benchmarks for high-quality were in the South. Alabama and North Carolina were the only states in the nation that met all 10 benchmarks for high-quality, and five other Southern states met nine of 10 standards.⁵ Pre-K programs in Georgia, Kentucky, South Carolina, and Louisiana met eight of 10 standards—placing them among the top 23 states ranked for high-quality standards.

⁵The standards for high-quality programs were established by the National Institute for Early Education Research (NIEER) and have generally been accepted as the national benchmarks for quality.

Nine Southern states (Oklahoma, Georgia, Arkansas, North Carolina, South Carolina, Kentucky, Maryland, Louisiana, and Tennessee) are ranked nationally for both Pre-K enrollment and a high-quality program. Five of these states are in the Deep South. West Virginia ranked 7th in enrollment in 2008 but was in the middle of the states on high-quality benchmarks. Florida and Texas are among the top five states for enrollment rates, but both are in the bottom ranks for high-quality standards. In contrast, Alabama is number one in high-quality benchmarks and very near the bottom in enrollment rates. Virginia was in the lower ranks in Pre-K enrollment and in the middle ranks on high-quality benchmarks in 2008. As in the past, Mississippi remained the only Southern state without state-supported Pre-K.

South's Pre-K Progress in the Recession

Since 2008, several Southern states continued efforts to expand Pre-K enrollment despite worsening economic conditions. Overall, the South increased enrollment by an estimated nine percent—enrolling almost 55,000 children in state-supported Pre-K. Much of these gains were in Florida or the Deep South states—Alabama, Arkansas, Georgia, Louisiana, South Carolina, and Tennessee. Enrollment increased by an estimated average of 18 percent in these six states with the most significant gains in Arkansas, Louisiana, and Alabama.

Also, the Deep South states have continued to increase Pre-K funding since 2008. These states enlarged funding on average by 12 percent during the last two years. Every state except Louisiana and Mississippi (without a program) added funding. For example, under the leadership of Republican Governor Bob Riley, Alabama began to move the state's Pre-K from a well-regarded pilot toward becoming a real statewide program. Alabama's Pre-K funding increased by more than 80 percent—from \$10 million to more than \$18 million during the past two years. Tennessee has moved even more rapidly to establish a statewide Pre-K program by expanding funding by 23 percent—more than \$18 million in two years. This growth has been under the leadership of Democratic Governor Phil Bredesen,

and it has moved the state's Pre-K program into the upper ranks of the nation within a relatively short period of time.

In addition, Arkansas has enlarged Pre-K funding by one-third since 2008 to continue to boost enrollment and maintain high-quality. Begun under Republican Governor Mike Huckabee and accelerated by Democratic Governor Mike Beebe, Arkansas' "ABC" Pre-K now joins Pre-K programs in Oklahoma and Georgia by leading the nation in developing both comparatively high rates of enrollment and high-quality programs.

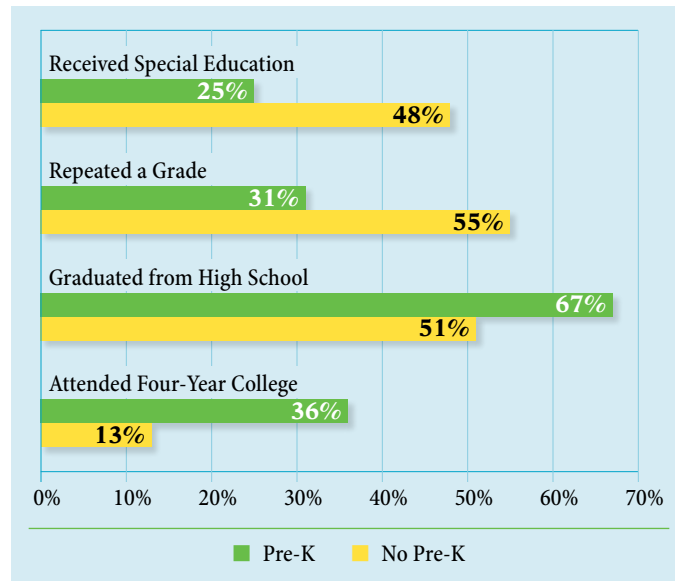
By continuing to build enrollment while maintaining high-quality, Deep South states are emerging national leaders in Pre-K. No other multi-state region or area in the country has done so well in recent years. If this trend continues and high-quality programs can become available to a sizeable percentage of the states' three- and four-year-olds, the Deep South will have new capacity to spur unprecedented gains in education.

Pre-K Continues to Advance Southern Education

The positive effects of high-quality Pre-K in Southern states are now virtually indisputable. Independent professional studies examining the short-term learning outcomes of Pre-K have been conducted throughout the Southern states during the last five years, and each one has documented substantial learning gains due to Pre-K.⁶

The evidence of Pre-K's long-term, educational benefits is also clear and convincing. For example, the studies of a North Carolina preschool program, Abecedarian, reveal strong academic gains that reach years into the future. Pre-K students at Abecedarian were far less likely to have to repeat any K-12 grade than were children with no Pre-K. The Pre-K children were almost three times more likely to go to a four-year college than students without Pre-K. Like

Long-Term Academic Outcomes of Pre-K Abecedarian Program in North Carolina



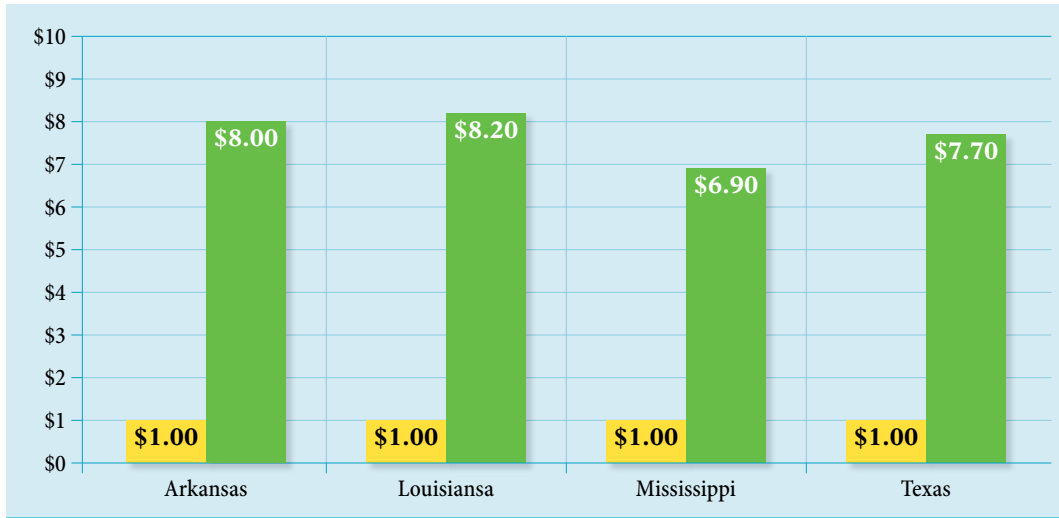
other programs examined in controlled, long-term studies, Abecedarian shows that children carry their gains in learning and learning skills forward for many years. As a consequence, children in quality pre-kindergarten in the South are much more likely than other children to perform better in school, stay out of trouble with the law, graduate on time from high school, and go on to college.

In several Southern states cost-benefit studies have measured the potential economic advantages of investing in Pre-K. The studies identifying direct benefits from Pre-K investments show that for every dollar invested, Southern states will realize somewhere between \$2.25 and \$5.20 in additional government savings or revenues. Also, there have been studies of the combined direct and indirect benefits (such as increasing individuals' personal income) from investing in Pre-K. In four Southern states, the cost-benefit ratios for public investments in high-quality Pre-K were as large as one to eight: in other words, every \$1 spent on high-quality Pre-K would generate up to \$8 of both direct and indirect benefits.

A recent study by Washington College economist Robert Lynch showed that a "universal, fully-funded high-quality Pre-K program" enrolling at least 81 percent of all Georgia's four-year-olds would pay for itself within two decades by

⁶See *Pre-Kindergarten in the South: The Region's Comparative Advantage in Education*, pp. 10-12, for summaries of studies in six Southern states. Since 2007, other Southern Pre-K studies confirm similar positive results. For a listing of more recent studies in the South, visit the SEF website at [Update: Pre-Kindergarten in the South](#).

**Amount of Direct and Indirect Benefits for Every \$1 Pre-K Investment
2003-07**



effect on children for life-long learning.

The cost of delivering Pre-K to a three- or four-year-old child in the South is almost one-third the per pupil cost of K-12 education. The latest comparable numbers show that in 2007 per child costs for Pre-K in the Deep South was less than \$6,000 while the per pupil costs for K-12 was more than \$9,000. These data illustrate that most Pre-K programs across the region are currently *under-funded*. In fact, both public

and private Pre-K providers are operating on a very fragile, precarious ratio of cost to service. Most programs need additional funds to improve or maintain high-quality. Both

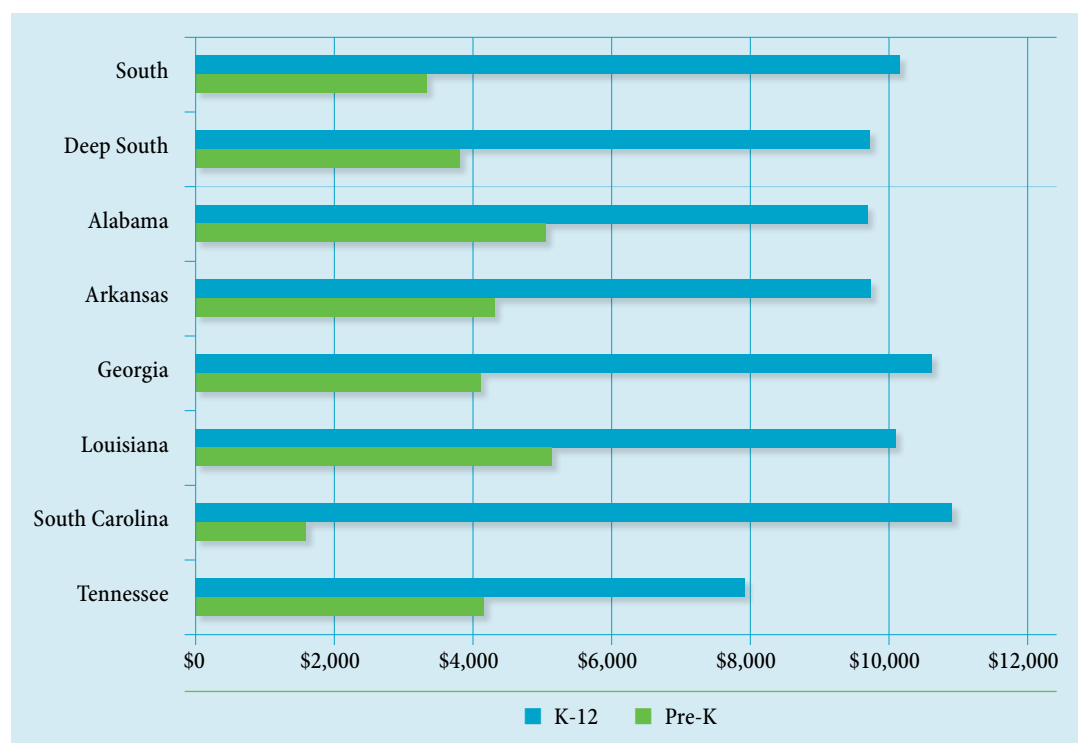
reducing state government costs in current programs such as non-promotion, juvenile justice, welfare, and special education. In summary, high-quality Pre-K is the region's best means for improving education, saving tax dollars and spurring economic growth that will improve the quality of life for future generations.

**South's Pre-K:
A Good Value
in State Budgets**

Pre-K programs in the Southern states are an extremely good value—even in a recession. They currently cost the Southern states far less per child to operate than does K-12 education or higher education. The programs comprise only a tiny portion of whole state budgets and of the entire education expenditures despite the programs' powerful

and private Pre-K providers are operating on a very fragile, precarious ratio of cost to service. Most programs need additional funds to improve or maintain high-quality. Both

**Southern Pre-K Per Pupil Expenditures: A Fraction of K-12 Per Child Costs
2007**

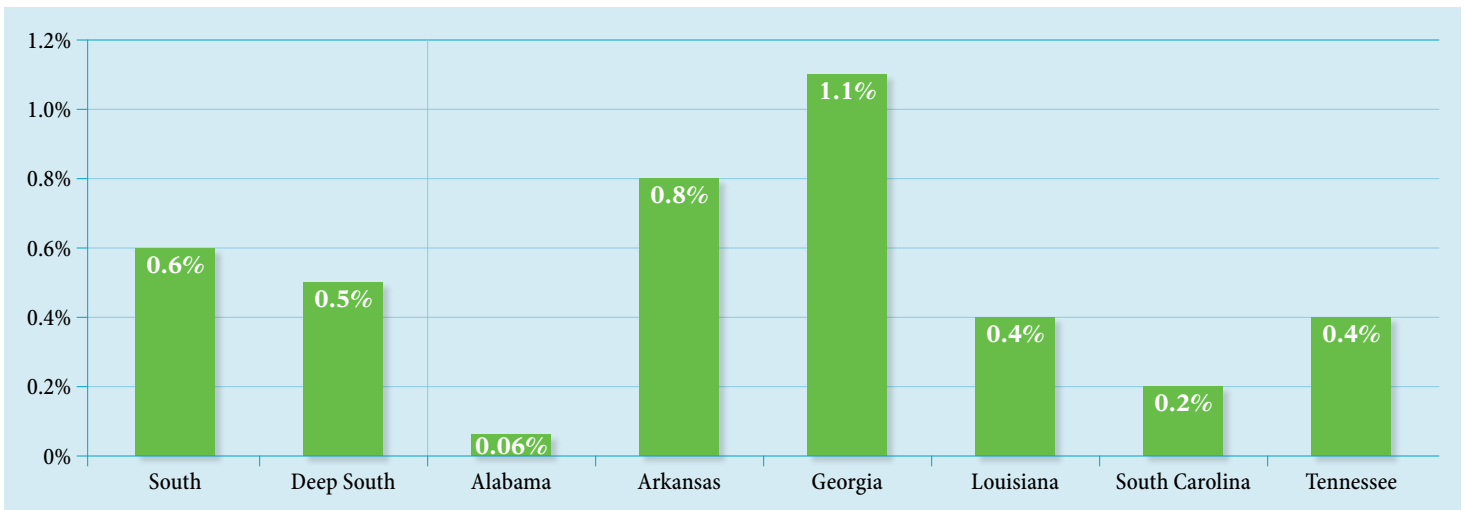


Pre-K programs and Pre-K providers can ill afford even small budget cuts at this time. These are not the programs to cut to save state expenses.

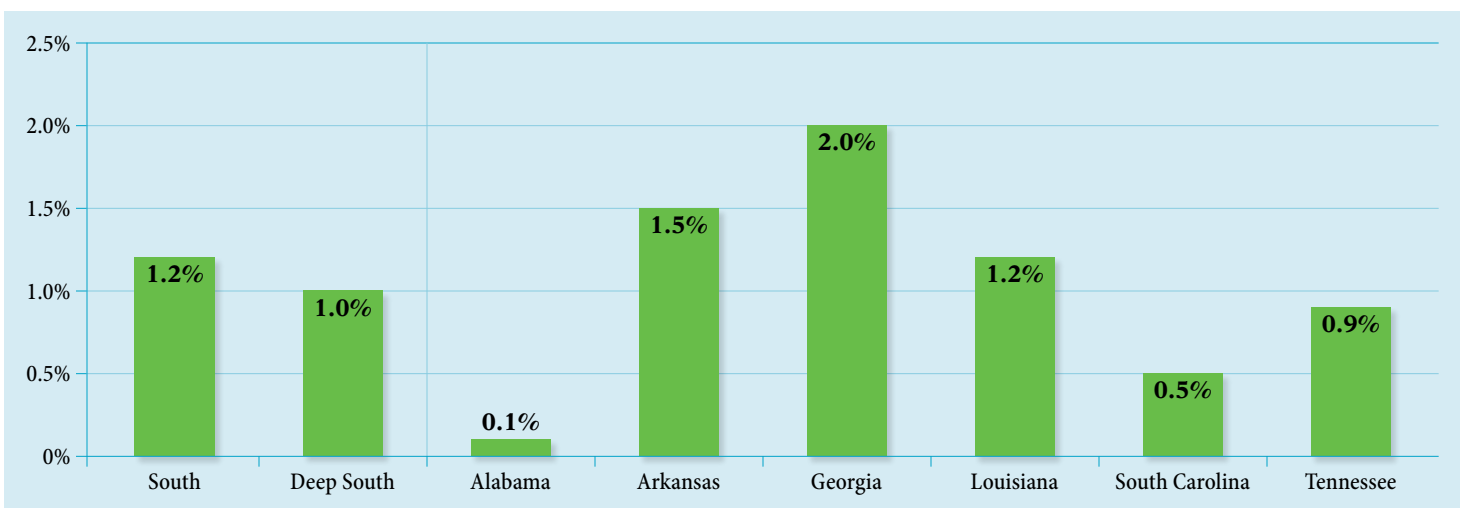
Southern states would save very little—practically nothing—from cuts to Pre-K. These programs constituted only 1.2 percent of the average Southern state’s entire education expenditures in 2008 and no more than one percent of the Deep South’s education expenditures.

Pre-K programs represent an even smaller percentage of current state budgets. Across the South, the state-supported programs are on average only three-fifths of one percent of a state’s entire budget. In Deep South states, Pre-K represents only one-half of one percent. The Deep South state with the highest Pre-K budget is Georgia, where in recent years it has been between 1.1 percent and 1.6 percent of the entire state budget. And, in Georgia, Pre-K requires no tax revenues. It is financed by the state’s lottery, which currently has a

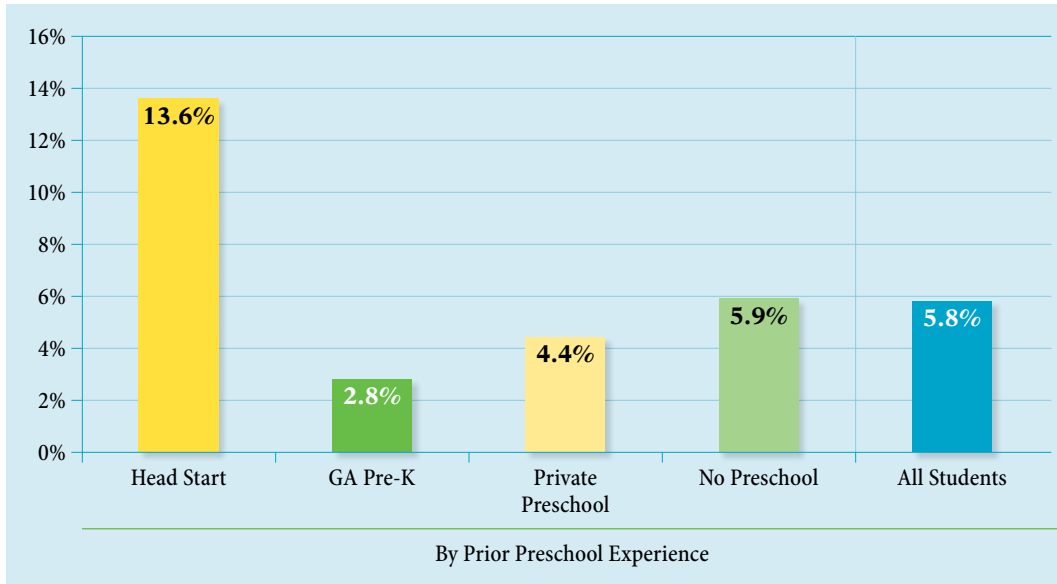
State Pre-K Expenditures as a Percentage of Southern State Expenditures 2008



State Pre-K Expenditures as a Percentage of Southern States Education Expenditures 2008



High Quality Pre-K Gets Children School-Ready
 Percent of Georgia Children Who Repeated Kindergarten, 2003-04



reserve fund of almost \$1 billion. Clearly, despite the necessity for state budgets cuts, Georgia can actually afford to expand and improve its current state Pre-K program at this time.

Instead of cutting back or freezing Pre-K programs in the 2011 budget, Southern states should consider expanding support for the programs—at least at modest levels. The programs are a proven method of reducing some state budget costs. For example, by getting more children “school-ready,” high-quality Pre-K cuts down on the number of students who repeat kindergarten or later grades and who are assigned to special education. This Pre-K effect saves the cost of having K-12 students repeat the same grade.

An independent study in 2004 showed that children in Georgia’s state-supported Pre-K were less likely than all other four-year-olds, including those attending private preschool programs, to repeat kindergarten. By supplying a higher percentage of kindergarten students who do not repeat the grade, Georgia Pre-K (operating with more than 50,000 children annually since 1996) has already reduced the 2011 state education budget by as much as \$24.2 million.⁷

⁷The calculations and methodology for these estimates follow standard terms in cost-benefit analyses and can be found at the SEF website at [Update: Pre-Kindergarten in the South](#).

This estimated savings is especially significant because Georgia Pre-K programs spend only lottery funds—not tax dollars—in order to reduce state expenses.

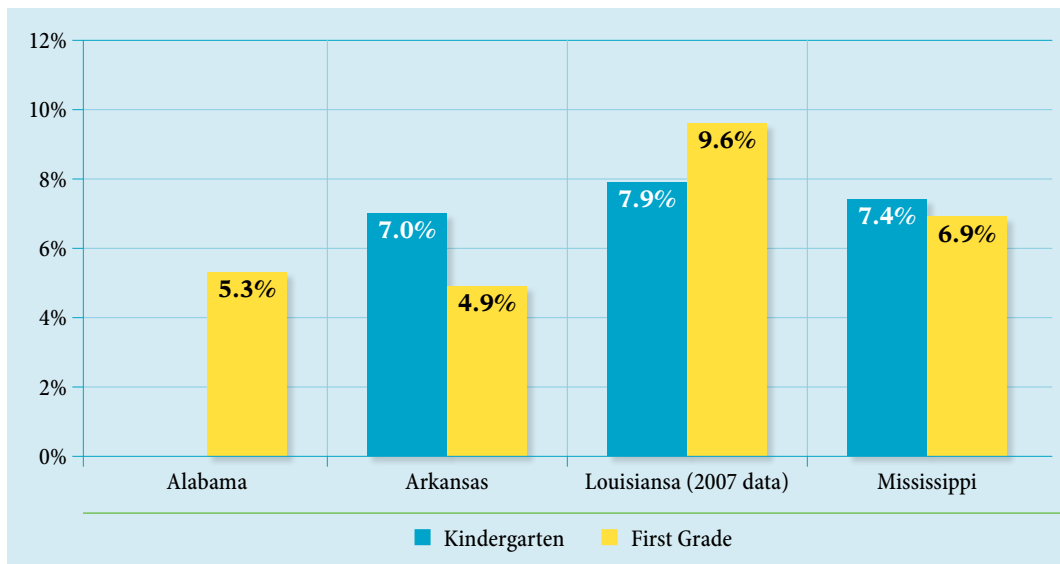
Using the same measure, based on 2008 enrollment, Pre-K programs in 14 Southern states (Mississippi has no state-supported program) can save state budgets as much as an estimated \$141 million by assuring that a smaller percentage of their children will need to repeat kindergarten. In the Deep South, where programs

are rated high in quality, the state budget savings amount to an estimated \$40.6 million in savings in state budgets.

The problems of non-promotion in the South’s schools extend well beyond kindergarten. Students who are not school-ready usually fall behind, and, sooner or later, they must repeat one or more grades in elementary or secondary schools. Every long-term, controlled study of high-quality Pre-K programs has found that they substantially lower non-promotion throughout K-12 grades. The North Carolina Abecedarian program lowered students’ non-promotion rate by 24 percentage points when compared with children who did not attend the program.

On these terms, Southern states providing high-quality, state-supported Pre-K have an enormous potential in the future to reduce state budget costs as programs expand. In Georgia, economist Robert Lynch has projected that, when Pre-K reaches an enrollment rate of 81 percent among four-year-olds, the program can save the state budget as much as \$112 million per year solely through reductions in the costs of K-12 non-promotion.

High Non-Promotion Rates in Early Grades 2008



The high-quality of Pre-K in the Deep South translates into reduced non-promotion rates and significant cost savings. Despite relatively low Pre-K enrollment rates in some states, Pre-K programs in the Deep South are likely to save state budgets as much as \$307 million in estimated expenses during the next year. Without Pre-K's effects, this extra cost from students repeating the same grade would have to be covered by state revenues in future years.

In addition, Southern states need to start gearing up Pre-K programs to compete for substantial federal funds to improve and coordinate early learning. The largest grants from the Obama Administration's proposed Early Learning Challenge Fund will likely go to "high capacity" states that have already made "significant progress" in building high-quality early learning systems. This proposed federal program is likely to give several Southern states, especially those in the Deep South with both significant enrollment and high-quality programs, a real advantage in competing for substantial new, federal funding that can help expand and improve Pre-K programs.

Conclusion

Because tax revenues have declined, almost all Southern states are faced in 2010 with the option of cutting expenses and/or increasing revenues. The governors and legislators must make difficult, careful choices to balance the budget. One clear choice should be to preserve or even grow state-supported Pre-K in the 2011 budget. These programs are the South's most effective, efficient means for the region to catch up and perhaps surpass the rest

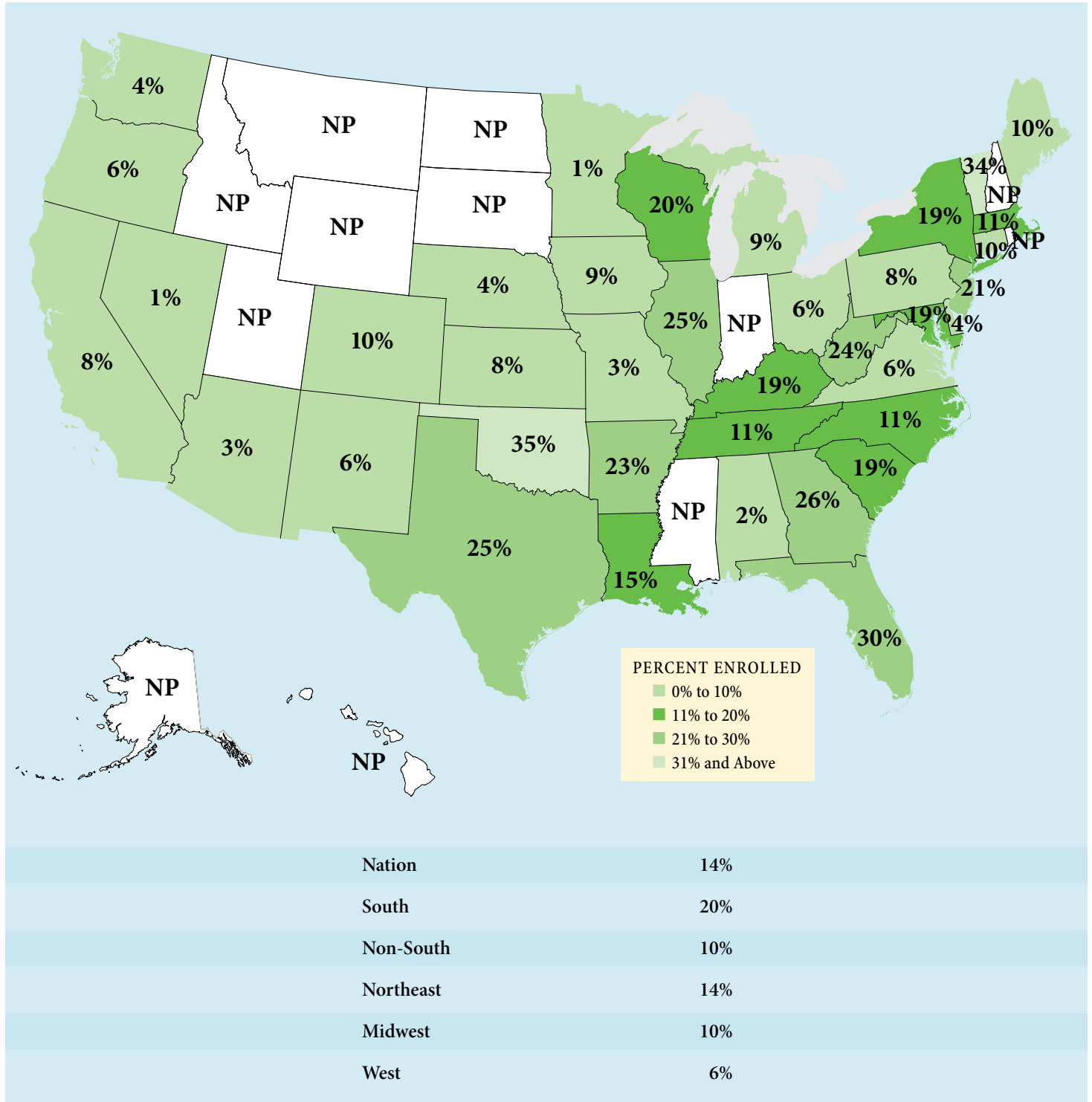
of the nation in educational achievement and attainment.

If high-quality Pre-K can continue to grow in the Southern states, the programs offer a real promise to pay for themselves in a couple of decades. Right now, Pre-K in the South is doing more with less. In most states, the programs are currently *underfunded*. They comprise only a tiny sliver of all Southern state budgets—too small an amount to cut in order to make up for declines in revenues. And, Pre-K programs are already generating significant cost savings for the states' current and future state budgets.

Without the benefits of Pre-K, generations of Southern children stand to lose life-changing opportunities to improve their own education and their own lives by starting school ready and able to learn. The South needs to do the right thing for these children. In addition, everyone gains from the early learning of these children. Expanding the development and education of three- and four-year-old children in the South is not a luxury. It is a necessity for the entire region's educational and economic progress.

Appendix 1 – Pre-K Enrollment Rates by Region and State

PERCENTAGE OF 3- AND 4-YEAR-OLDS IN STATE PRE-K, 2008



NP = No Program

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