

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2013

Bill Number: S84 & H270 Name of Bill: An Act relating to providing access to publicly funded prekindergarten education

Agency/ Dept: AHS/DCF Author of Bill Review: Reeva Murphy

Date of Bill Review: 4/12/13 Second review Status of Bill: (check one):

* Upon Introduction As passed by 1st body As passed by both bodies Fiscal
*Amended from initial version and passed through House Education, amended again by House Ways & Means, heading to House Appropriations, another amendment possible...

Recommended Position:

Support Oppose Remain Neutral Support with modifications identified in #8 below

Analysis of Bill

1. **Summary of bill and issue it addresses.** *Bill is intended to make publically funded preschool universally available to all three and four year old children in Vermont. PreK would be voluntary for parents – they don't have to send their children if they don't want to – but mandatory for local education agencies – all towns would have to make it available to children in their districts. Also significantly simplifies PreK processes. AOE and AHS prequalify community programs that meet established PreK standards set in regulation. Bill establishes one state-wide rate set annually by AOE & AHS (can be regionally adjusted if deemed necessary). Towns may continue to operate current school run classrooms or expand if there is not sufficient supply of prequalified community slots. Complex needs assessment is no longer required but approval by departments based on supply/demand equation is. Tuition follows child to any prequalified program parents choose - including one operated by another school district. Carves out a short term exemption to not counting new children in first two years, allowing districts to "anticipate"/estimate expected enrollments. Does not require towns to start a program if none is available in their district. Does not require EEE services to be provided in qualified PreK programs located outside of the district. Bill does not alter Act 62 "dose" – still at least 10 hours weekly for school year (35 weeks). Does not alter current minimum quality standards but these could be raised in rule making process.*

Amendment in House Ed *added permission for school districts to help community providers reach qualification standards as part of a new or existing partnership and allow these investments to be counted as in-kind support in lieu of all or part of state-wide rate as agreed upon by both parties. – suggested by AOE and would support this; Added that districts must enter into a formal agreement with any provider it pays tuition to – we suggested and support*

Extended implementation out to apply to enrollments for 2015-2016 school year giving agencies more tiem to finalize rules and districts more time to expand – suggested by AOE ad DCF as a more realistic timeline added AOE/DCF responsibility to establish a joint monitoring system to evaluate quality of services provided and track and evaluate impact of publically funded PreK on child outcomes – suggested by advocates and strongly endorsed by House Education Committee members. This is a good idea to ensure the effectiveness of state investments but it will have a cost to implement in state gov't – it is beyond current capacity in either agency

Amendments & House Ways & Means *Maintains "weight" for PreK child in ADM at .45, removes to .5 and strikes out exemption from excess spending rules – these do not substantially impact intent of bill*

- 2. Is there a need for this bill?** *Yes. Expands access and addresses issues of equity across families and communities and significantly streamlines administrative processes that have been discussed over past few years. Will also significantly improve data on participation, allowing us to track participation of all preK children in qualified programs.*
- 3. What are likely to be the fiscal and programmatic implications of this bill for this Department?** *Staff from CDD/DCF will have to work with AOE to develop and promulgate rules. CDD/DCF will take lead on managing database of prequalified programs but we are already working on that now. Maintaining developmentally beneficial quality standards responsibly by monitoring programs and providing Technical Assistance (TA) will take more staff than AOE and CDD/DCF currently have to attend to this. We estimate that two more staff at each department will be needed to effectively implement monitoring and TA.*
- 4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?** *Staff from AOE will have to work with CDD/DCF to develop and promulgate rules. There will be pressure on Ed Fund – AOE estimates 10 – 11 million increase over several years of ramping up to anticipated 60% enrollment of eligible population (form current 36%). AOE has detailed cost estimate for Ed Fund increase. Have also begun estimating cost for monitoring system – approx. 4 FTEs across two agencies – 350,000 – 400,000 annually – these would be administration costs across two agencies. Seems reasonable for monitoring impact of \$30 million investment. Some in legislature do not like these additional administrative costs. Sponsor Sarah Buxton has indicated if monitoring will kill the bill, the Committee may take it out. Ther will be some pressure on agencies to have the capacity to implement this expansion effectively even without monitoring requirement. Resources for ECE are stretched about as far as they can go right now.*
- 5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it?** *(for example, public, municipalities, organizations, business, regulated entities, etc) Local education agencies (LEAs) will have to ramp up to universal access where it is not currently provided. Three large communities – Rutland, White River Junction and Colchester – will have to initiate PreK. Most local communities are supportive of PreK but wary of budget pressures. The School Bd Assoc and the Superintendents’ Assoc both support the bill.*
- 6. Other Stakeholders:**
- 6.1 Who else is likely to support the proposal and why?** *BBF Council & VT Business Roundtable(VBR) because they have been advocating for expanded access and investment. Major philanthropic investors in ECE because this resolves the issue of start up and expansion funds they have been advocating for. The VBR may advocate for higher quality standards in the rule making process. Qualified community ECE providers because this is very much simpler and would equitably support all preschoolers in their programs and support and promote higher quality services for children.*
- 6.2 Who else is likely to oppose the proposal and why?** *Some LEAs may not like the mandate. Ethan Allen Institute consistently advocates against universal publically funded Prek .*
- 6.3 NEW ISSUE** *(raised in Ways & Means and now circulating widely) Is this bill a “blueprint” for school choice? The bill as currently written gives parent full choice of any pre-qualified preschool provider. This was intended to simplify implementation and ensure access for families and continuity of care for children also needing child care beyond 10 hours funded through PreK . The difference between the preschool delivery system and the K- 12 system is that there is an established public responsibility for free and appropriate public education for children in K-12 while in preschool, there is a voluntary investment of public funds to part of the services that a child/family needs/accesses during the preschool years. Thus Vermont wisely*

committed to a mixed delivery system for preschool under Act 62. Legitimate concerns have been raised by legislators and some school administrators that this bill went a little too far, setting up the potential for a system that looks more like vouchers than the intended community partnerships for early education. Further, if the majority of families in a small community chose to take their children and PreK tuitions to different communities, local capacity to be diminished which could potentially limit access for children and families in that community due to transportation barriers, etc. Most stakeholder agree that a reasonable amendment giving some jurisdiction to local school districts to ensure local capacity while not taking choice away from families who need to ensure access is a good idea and would shift the focus back to PreK and away from the school choice precedent. There has been no agreement on language that achieves that end as of noon on Friday April 12, though there is a promising proposal in circulation.

7. Rationale for recommendation: *Coupled with the Governor’s proposed investment in the CC Financial Assistance Program, this creates a big leap forward in early care and education investment for the state of Vermont. It maintains many of the best components of Act 62 – Ed Fund as a reliable source of funding, emphasis on community partnerships and a mixed delivery system. It increases parental choice as a driver in child participation and expansion of quality choices for children and families – and reduces complexity that has been problematic in implementation.*

8. Specific modifications that would be needed to recommend support of this bill:

Secretary/Commissioner has reviewed this document: _____ **Date:** _____